



Consolidated Financial Results for the Third Quarter Ended December 31, 2024

February 12, 2025

Name of Listed Company: Bengo4.com, Inc.

Listed Stock Exchange: Tokyo Stock Exchange

Securities Code: 6027

URL <https://www.bengo4.com/corporate/en/>

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Scheduled date to commence dividend payments: –

Preparation of supplementary materials on financial results: Yes

Holding of financial results briefing session: Yes (for institutional investors and analysts)

(Million yen with fractional amounts rounded down)

1. Consolidated financial results for the third quarter ended December 31, 2024 (from April 1, 2024 to December 31, 2024)

(1) Consolidated operating results (cumulative totals)

(Percentages indicate year-on-year changes.)

	Net sales		EBITDA		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Third quarter ended December 31, 2024	10,278	28.1	1,347	3.3	759	-13.5	772	-16.1	467	-18.2
December 31, 2023	8,020	–	1,305	–	877	–	921	–	571	–

(Note) Comprehensive income: Third quarter ended December 31, 2024: 467 million yen (-18.2%)

Third quarter ended December 31, 2023: 571 million yen (–%)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Third quarter ended December 31, 2024	20.83	20.51
December 31, 2023	25.66	25.08

(Notes) 1. The year-on-year changes from nine months ended December 31, 2023 are not presented because the Company prepared financial statements on a consolidated basis, starting with the first nine months of the fiscal year ended March 31, 2024.

2. EBITDA = Operating profit + Depreciation + Amortization of goodwill + Share-based payment expenses + Share of profit (loss) of entities accounted for using equity method

3. The provisional accounting treatment to be applied with respect to business combinations was determined at the end of the previous consolidated fiscal year. Therefore, the figures for the first nine months ended December 31, 2023 reflect the details of this provisional accounting treatment.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of December 31, 2024	10,532	4,866	45.6
March 31, 2024	10,164	4,157	40.3

Reference: Equity capital As of December 31, 2024: 4,798 million yen

As of March 31, 2024: 4,096 million yen

2. Cash dividends

	Dividend per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2024	–	0.00	–	0.00	0.00
Fiscal year ending March 31, 2025	–	0.00	–		
Fiscal year ending March 31, 2025 (Forecast)				0.00	0.00

(Note) Revision to dividend forecasts published most recently: None

3. Consolidated forecasts for the fiscal year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		EBITDA		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Fiscal year ending March 31, 2025	14,000	23.6	2,100	11.3	1,310	6.0	1,320	0.3	950	13.4	42.34

(Note) Revisions to earnings forecasts published most recently: Yes

(Note) EBITDA = Operating profit + Depreciation + Amortization of goodwill + Share-based payment expenses + Share of profit (loss) of entities accounted for using equity method

* Notes

(1) Major changes in the scope of consolidation during the period: Yes

New: 1 company (company name): Bengo Kakumei Inc., Excluded: 1 company (company name): Bengo Kakumei Inc.

(2) Application of particular accounting treatment concerning preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies and changes or restatement of accounting estimates

- a. Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- b. Changes in accounting policies other than a: None
- c. Change in accounting estimate: None
- d. Restatement: None

(4) Number of shares issued (common stock)

- a. Total number of shares issued at the end of the period (including treasury shares)

As of December 31, 2024	22,595,200 shares	As of March 31, 2024	22,382,100 shares
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- b. Number of treasury shares at the end of the period

As of December 31, 2024	6,522 shares	As of March 31, 2024	101,363 shares
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- c. Average number of shares during the period

Third quarter ended December 31, 2024	22,439,931 shares	Third quarter ended December 31, 2023	22,263,748 shares
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* Review of the accompanying quarterly consolidated financial statements by certified public accountants or an audit corporation: None

* Proper use of earnings forecasts, and other special matters

The forward-looking statements such as earnings forecasts stated in this document are based on the information currently available to the Group and certain assumptions that the Group judges as rational. These statements are not guarantees of future performance. Actual results may differ substantially from the forecasts due to various factors. For the assumptions underlying the forecasts and precautions when using the forecasts, please refer to “1. Overview of Operating Results and Financial Position, (3) Explanation regarding consolidated earnings forecasts and other forward-looking statements” on page 3 of the supplementary materials.

○ Supplementary Materials – Contents

1. Overview of Operating Results and Financial Position	2
(1) Overview of consolidated operating results for the third quarter ended December 31, 2024	2
(2) Overview of consolidated financial position for the third quarter ended December 31, 2024	3
(3) Explanation regarding consolidated earnings forecasts and other forward-looking statements	3
2. Quarterly Consolidated Financial Statements and Key Notes	4
(1) Quarterly consolidated balance sheet	4
(2) Quarterly consolidated statement of income and quarterly consolidated statement of comprehensive income	6
Quarterly consolidated statement of income	6
First nine-month period	6
Quarterly consolidated statement of comprehensive income	7
First nine-month period	7
(3) Notes to quarterly consolidated financial statements	8
(Notes on going concern assumptions)	8
(Notes in the case of significant changes in shareholders' equity)	8
(Change in accounting policy)	8
(Notes on segment information)	8
(Notes on statement of cash flows)	9
(Significant subsequent events)	9

1. Overview of Operating Results and Financial Position

The provisional accounting treatment pertaining to business combinations applied was determined in the fourth quarter of the previous consolidated fiscal year. Therefore, analyses and comparisons with the same period of the previous year have been done based on figures that reflect the details of the provisional accounting treatment.

(1) Overview of consolidated operating results for the third quarter ended December 31, 2024

In the Japanese economy during the first nine months of the consolidated fiscal year under review, the trend in capital spending was toward a moderate recovery and the employment and income environment gradually improved. This enabled economic activity to recover moderately as well. However, the outlook remains uncertain given overseas economic and price trends, resource price trends, and corporate wages and pricing behavior.

Under the mission, “Be the Professional-Tech Company,” the Group has been operating Internet media through portal sites such as Bengoshi.com for legal consultation and zeirishi.com for tax consultation, while also providing IT and solution services including CloudSign, a contract management platform, and the Hanreihisho, a data base for precedents. In addition, the Company acquired shares of Bengo Kakumei Inc., a provider of BengoKakumei, a digitalized case record-keeping tool for lawyers, on May 1, 2024. Then, as announced on June 12, 2024, it conducted an absorption-type merger. As a result of the merger the Company became the surviving company and Bengo Kakumei Inc., a subsidiary, was dissolved on August 1, 2024. Consequently, the financial results of Bengo Kakumei Inc. are reflected in the Company’s financial results starting from the first three months of the fiscal year under review.

As a result of the above, net sales reached 10,278 million yen, up 28.1% year on year, operating profit amounted to 759 million yen, down 13.5% year on year, ordinary profit was 772 million yen, down 16.1% year on year, and profit attributable to owners of parent came to 467 million yen, down 18.2% from a year earlier, in the first nine months under review.

Operating results by business segment are as follows.

(Media business)

In the Media business, the Company engages in the Internet media business through the legal consultation portal site Bengoshi.com and the tax consultation portal site zeirishi.com.

In addition, the Company acquired the shares of Bengo Kakumei Inc. on May 1, 2024, and started to provide the company’s “BengoKakumei” service, a digitalized case record-keeping tool for lawyers. Also, as announced on June 12, 2024, it absorbed Bengo Kakumei Inc., which is a subsidiary, on August 1, 2024. The Company absorbed Bengo Kakumei by absorption-type merger for the purpose of strengthening sales of BengoKakumei, linking BengoKakumei with the Company’s products, and speeding up the realization of a more efficient management structure through centralized organization.

In the Bengo4.com business, the Company focused on providing content that is helpful for users and improving usability. It also sought to increase recognition through the distribution of articles of Bengoshi.com news, an owned media channel which lawyers use to explain familiar topics from a legal perspective. Consequently, monthly site visitors decreased 29.4% year on year, to 7.7 million in December 2024. The number of registered lawyers as of the end of the third quarter under review rose 3.8% year on year, to 24,164, of which the number of lawyers with paid member subscriptions to the lawyer support service stood at 5,916 (an increase of 9.8% year on year). Meanwhile, the number of paid subscribers to Bengoshi.com paid services decreased 10.3% year on year, to 166,460.

As a result, net sales increased 10.9% year on year to 3,650 million yen and segment profit decreased 18.7% year on year to 891 million yen in the first nine months under review.

(IT/Solutions business)

In the IT/Solutions business, the Company provides IT and solution services including CloudSign, a contract management platform, and Hanreihisho, a database for precedents.

In the CloudSign service, the Company sought to reinforce its development and sales systems by actively recruiting human resources, while simultaneously improving usability, increasing recognition and expanding its customer base through the placement of advertisements in a range of media, among other efforts. As a result, the number of contracts transmitted increased 16.7% year on year, to 2,443,927 in the third quarter under review.

As a result, net sales and segment profit increased 40.1% and 45.3% year on year, to 6,628 million yen and 1,414 million yen, respectively, in the first nine months under review.

(2) Overview of consolidated financial position for the third quarter ended December 31, 2024

Total assets at the end of the third quarter of the consolidated fiscal year under review stood at 10,532 million yen, rising 367 million yen from the end of the previous consolidated fiscal year. This was mainly due to increases in cash and deposits, accounts receivable, prepaid expenses, goodwill and software in progress, partially offset by a decrease in technology assets.

(Current assets)

Net assets at the end of the third quarter of the consolidated fiscal year under review stood at 5,857 million yen, rising 202 million yen from the end of the previous consolidated fiscal year. This was chiefly attributable to increases of 88 million yen in cash and deposits, 71 million yen in accounts receivable, and 60 million yen in prepaid expenses.

(Non-current assets)

Non-current assets at the end of the third quarter of the consolidated fiscal year under review climbed 165 million yen from the end of the previous consolidated fiscal year, to 4,675 million yen. The main factors were increases of 149 million yen in goodwill and 73 million yen in software in progress, more than offsetting a decrease of 73 million yen in technology assets.

(Current liabilities)

Current liabilities at the end of the third quarter of the consolidated fiscal year under review increased 19 million yen from the end of the previous consolidated fiscal year, to 2,926 million yen. The main factors were increases of 250 million yen in short-term borrowings and 123 million yen in advances received, more than offsetting decreases of 208 million yen in income taxes payable and 77 million yen in accounts payable - other.

(Non-current liabilities)

Non-current liabilities at the end of the third quarter of the consolidated fiscal year under review decreased 361 million yen from the end of the previous consolidated fiscal year, to 2,738 million yen. This change was primarily attributable to a decrease of 340 million yen in long-term borrowings.

(Net assets)

Net assets at the end of the third quarter of the consolidated fiscal year under review stood at 4,866 million yen, rising 709 million yen from the end of the previous consolidated fiscal year. This was mainly due to increases of 81 million yen in share capital, 81 million yen in capital surplus and 70 million yen in retained earnings, partially offset by a decrease of 468 million yen in treasury shares.

(3) Explanation regarding consolidated earnings forecasts and other forward-looking statements

On February 12, 2025, the Company revised the consolidated earnings forecasts announced on May 10, 2024. For details, please see the Notice Regarding Revision of Earnings Forecasts published on the same day.

2. Quarterly Consolidated Financial Statements and Key Notes

(1) Quarterly consolidated balance sheet

(Thousand yen)

	Previous consolidated fiscal year (As of March 31, 2024)	Third quarter under review (As of December 31, 2024)
Assets		
Current assets		
Cash and deposits	3,469,066	3,557,519
Accounts receivable	1,795,634	1,867,456
Prepaid expenses	370,670	430,793
Other	62,399	53,779
Allowance for doubtful accounts	-42,826	-52,449
Total current assets	5,654,944	5,857,098
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	102,120	84,451
Tools, furniture and fixtures, net	75,647	72,481
Other, net	2,547	1,727
Total property, plant and equipment	180,315	158,660
Intangible assets		
Goodwill	747,843	897,252
Technology assets	1,412,795	1,339,720
Software	932,869	951,082
Software in progress	39,730	113,083
Trademark right	244,524	233,630
Other	9,515	14,156
Total intangible assets	3,387,279	3,548,926
Investments and other assets		
Investment securities	427,520	469,842
Distressed receivables	32,344	32,382
Deferred tax assets	241,329	265,000
Other	273,034	232,805
Allowance for doubtful accounts	-32,343	-32,381
Total investments and other assets	941,885	967,648
Total non-current assets	4,509,479	4,675,235
Total assets	10,164,424	10,532,334

(Thousand yen)

	Previous consolidated fiscal year (As of March 31, 2024)	Third quarter under review (As of December 31, 2024)
Liabilities		
Current liabilities		
Short-term borrowings	—	250,000
Current portion of long-term borrowings	508,754	485,004
Accounts payable - other	851,931	774,048
Accrued expenses	184,627	186,695
Income taxes payable	318,435	109,795
Accrued consumption taxes	168,271	147,744
Advances received	769,238	892,455
Provision for bonuses	8,950	4,965
Provision for bonuses for directors (and other officers)	—	9,722
Other	96,456	65,935
Total current liabilities	2,906,663	2,926,367
Non-current liabilities		
Long-term borrowings	2,237,496	1,897,493
Deferred tax liabilities	556,904	527,334
Provision for retirement benefits for directors (and other officers)	273,000	284,700
Retirement benefit liability	26,800	23,500
Other	5,950	5,950
Total non-current liabilities	3,100,150	2,738,977
Total liabilities	6,006,813	5,665,345
Net assets		
Shareholders' equity		
Share capital	464,228	545,632
Capital surplus	429,922	511,326
Retained earnings	3,703,355	3,774,074
Treasury shares	-500,777	-32,075
Total shareholders' equity	4,096,728	4,798,957
Share acquisition rights	60,882	68,031
Total net assets	4,157,610	4,866,988
Total liabilities and net assets	10,164,424	10,532,334

(2) Quarterly consolidated statement of income and quarterly consolidated statement of comprehensive income

Quarterly consolidated statement of income

First nine-month period

(Thousand yen)

	Third quarter of the previous fiscal year (from April 1, 2023 to December 31, 2023)	Third quarter under review (from April 1, 2024 to December 31, 2024)
Net sales	8,020,763	10,278,578
Cost of sales	1,590,171	2,426,852
Gross profit	6,430,591	7,851,725
Selling, general and administrative expenses	5,553,128	7,092,550
Operating profit	877,463	759,175
Non-operating income		
Interest income	39	241
Share of profit of entities accounted for using equity method	40,536	22,635
Commission income	5,837	6,816
Miscellaneous income	1,672	4,433
Total non-operating income	48,086	34,126
Non-operating expenses		
Interest expenses	1,516	9,826
Loss on investments in investment partnerships	1,468	—
Miscellaneous losses	1,379	10,882
Total non-operating expenses	4,364	20,709
Ordinary profit	921,184	772,592
Extraordinary income		
Gain on sale of non-current assets	—	11,213
Total extraordinary income	—	11,213
Extraordinary losses		
Loss on sale of non-current assets	—	8,486
Loss on retirement of non-current assets	0	311
Total extraordinary losses	0	8,797
Profit before income taxes	921,184	775,008
Income taxes - current	347,219	360,810
Income taxes - deferred	2,741	-53,240
Total income taxes	349,960	307,569
Profit	571,224	467,438
Profit attributable to non-controlling interests	—	—
Profit attributable to owners of parent	571,224	467,438

Quarterly consolidated statement of comprehensive income

First nine-month period

(Thousand yen)

	Third quarter of the previous fiscal year (from April 1, 2023 to December 31, 2023)	Third quarter under review (from April 1, 2024 to December 31, 2024)
Profit	571,224	467,438
Comprehensive income	571,224	467,438
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	571,224	467,438
Comprehensive income attributable to non-controlling interests	—	—

(3) Notes to quarterly consolidated financial statements

(Notes on going concern assumptions)

Not applicable.

(Notes in the case of significant changes in shareholders' equity)

During the first nine months of the consolidated fiscal year under review, the Company disposed of treasury shares as a result of the exercise of share acquisition rights. As a result, capital surplus and treasury shares decreased by 396,720 thousand yen and 469,300 thousand yen respectively. With the balance of other capital surplus in capital surplus becoming negative, the Company set such other capital surplus to zero while also reducing retained earnings by the negative value.

(Change in accounting policy)

The Company has applied Accounting Standard for Current Income Taxes (Accounting Standards Board of Japan (ASBJ) Statement No. 27, October 28, 2022; hereinafter referred to as the "Revised Accounting Standard 2022") effective from beginning of the first quarter of the fiscal year under review. This change in accounting policy has no impact on the quarterly consolidated financial statements.

(Notes on segment information)

[Segment information]

I. Nine months ended December 31, 2023 (April 1, 2023 to December 31, 2023)

1. Information on net sales and profit (loss) by reportable segment

(Thousand yen)

	Reportable segments			Adjustment (Note 1)	Amount posted in the quarterly statement of income (Note 2)
	Media	IT/Solutions	Total		
Net sales					
Net sales to external customers	3,290,883	4,729,880	8,020,763	—	8,020,763
Inter-segment sales or transfers	—	—	—	—	—
Total	3,290,883	4,729,880	8,020,763	—	8,020,763
Segment profit	1,095,589	973,827	2,069,417	-1,191,954	877,463

(Notes) 1. The adjustment for segment profit of negative 1,191,954 thousand yen includes corporate expenses in the amount of negative 1,191,954 thousand yen not previously allocated to the reportable segments. Corporate expenses consist primarily of general and administrative expenses that are not attributable to the reporting segments.

2. Segment profit is adjusted to be consistent with the operating profit reported in the quarterly consolidated statement of income.

2. Information on impairment losses on non-current assets and goodwill by reportable segment

(Significant changes in amount of goodwill)

In the IT/Solutions business segment, LIC Co., Ltd. and EOC.com Co., Ltd. are included in the scope of consolidation for the first time. This event resulted in an increase in goodwill of 773,631 thousand yen during the nine months under review. This increase in goodwill reflects an important review of the initial allocation of acquisition costs linked to the determination of the applied provisional accounting treatment pertaining to business combinations.

II. Nine months ended December 31, 2024 (April 1, 2024 to December 31, 2024)

1. Information on net sales and profit (loss) by reportable segment

(Thousand yen)

	Reportable segments			Adjustment (Note 1)	Amount posted in the quarterly statement of income (Note 2)
	Media	IT/Solutions	Total		
Net sales					
Net sales to external customers	3,650,377	6,628,200	10,278,578	—	10,278,578
Inter-segment sales or transfers	246	598	844	-844	—
Total	3,650,624	6,628,798	10,279,423	-844	10,278,578
Segment profit	891,028	1,414,494	2,305,522	-1,546,347	759,175

(Notes) 1. The adjustment of negative 844 thousand yen is for the elimination of intersegment transactions.

The adjustment for segment profit of negative 1,546,347 thousand yen includes corporate expenses that are not previously allocated to the reportable segments. Corporate expenses consist primarily of general and administrative expenses that are not attributable to the reporting segments.

2. Segment profit is adjusted to be consistent with the operating profit reported in the quarterly consolidated statement of income.

2. Information on impairment losses on non-current assets and goodwill by reportable segment

(Significant changes in amount of goodwill)

In the Media segment, the Company acquired all shares of Bengo Kakumei Inc., and absorbed the company after converting it into a subsidiary during the first nine months of the consolidated fiscal year under review. This event resulted in an increase in goodwill of 205,272 thousand yen during the first nine months of the consolidated fiscal year under review.

(Notes on statement of cash flows)

The Company did not prepare quarterly consolidated statements of cash flows for the first nine months under review. Depreciation (including amortization of intangible assets except for goodwill) and amortization of goodwill for the first nine months under review are as follows.

The provisional accounting treatment pertaining to business combinations applied was determined in the fourth quarter of the previous consolidated fiscal year. Therefore, the figures for the first nine months ended December 31, 2023 reflect the details of this provisional accounting treatment.

(Thousand yen)

	Nine months ended December 31, 2023 (April 1, 2023 to December 31, 2023)	Nine months ended December 31, 2024 (April 1, 2024 to December 31, 2024)
Depreciation	351,287	502,088
Amortization of goodwill	12,893	55,863

(Significant subsequent events)

(Sale of investment securities)

At a meeting of the Board of Directors held on December 11, 2024, the Company resolved to sell investment securities it owned (one unlisted stock). It sold them on January 24, 2025. Reflecting this, a gain on the sale of investment securities totaling 228,368 thousand yen will be recorded under extraordinary income in the fourth quarter of the consolidated fiscal year ending March 31, 2025.

1. Purpose of the sale of investment securities

To improve the efficiency of owned assets

2. Details of the sale of investment securities

(1) Shares to be sold: One unlisted stock held by the Company

(2) Date of sale January 24, 2025

(3) Gain on sale 228,368 thousand yen