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May 15, 2024

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



Company name: Commerce One Holdings Inc.
 Listing: Tokyo Stock Exchange
 Securities code: 4496
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 Scheduled date of annual general meeting of shareholders: June 25, 2024
 Scheduled date to commence dividend payments: June 26, 2024
 Scheduled date to file annual securities report: June 26, 2024
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for analysts and institutional investors)

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

1. Consolidated financial results for the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2024	3,557	11.3	644	11.0	702	15.5	414	(6.0)
March 31, 2023	3,196	8.7	580	(14.2)	608	(15.2)	441	(11.0)

Note: Comprehensive income For the fiscal year ended March 31, 2024: ¥532 million [13.6%]
 For the fiscal year ended March 31, 2023: ¥468 million [(1.3)%]

Fiscal year ended	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
	Yen	Yen	%	%	%
March 31, 2024	57.53	-	15.2	19.0	18.1
March 31, 2023	58.78	-	18.0	18.4	18.2

Reference: Share of profit (loss) of entities accounted for using equity method
 For the fiscal year ended March 31, 2024: ¥- million
 For the fiscal year ended March 31, 2023: ¥- million

(2) Consolidated financial position

As of	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2024	3,882	2,844	73.3	395.50
March 31, 2023	3,505	2,616	74.6	356.26

Reference: Equity
 As of March 31, 2024: ¥2,844 million
 As of March 31, 2023: ¥2,616 million

(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
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2024	778	(367)	(307)	1,733
March 31, 2023	163	(56)	(142)	1,608

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
Fiscal year ended March 31, 2023	Yen -	Yen 0.00	Yen -	Yen 0.00	Yen 0.00	Millions of yen -	% -	% -
Fiscal year ended March 31, 2024	-	27.00	-	11.00	38.00	273	66.1	10.1
Fiscal year ending March 31, 2025 (Forecast)	-	10.00	-	10.00	20.00		31.6	

Note: Dividends at the end of the second quarter of fiscal year ended March 31, 2024

Ordinary dividend: ¥7.00, Commemorative dividend: ¥20.00

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

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	3,815	7.3	604	(6.1)	683	(2.7)	454	9.6	63.22

* **Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in change in scope of consolidation): None
- (2) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
- (ii) Changes in accounting policies due to other reasons: None
- (iii) Changes in accounting estimates: None
- (iv) Restatement: 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 March 31, 2024	7,193,400 shares
As of March 31, 2023	7,523,400 shares

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

As of March 31, 2024	49 shares
As of March 31, 2023	179,249 shares

- (iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2024	7,211,152 shares
Fiscal year ended March 31, 2023	7,509,197 shares

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2024	310	(13.4)	39	(63.8)	20	(85.1)	55	(75.9)
March 31, 2023	358	(39.1)	108	(71.4)	134	(67.6)	228	(50.0)

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2024	7.64	-
March 31, 2023	30.47	-

(2) Non-consolidated financial position

As of	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2024	1,746	1,558	89.3	216.71
March 31, 2023	1,823	1,690	92.7	230.13

Reference: Equity

As of March 31, 2024: ¥1,558 million
As of March 31, 2023: ¥1,690 million

* 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

Results forecasts and other forward-looking statements presented in this document are based on information currently available to the Company and certain assumptions that are deemed reasonable. The Company does not intend to guarantee that the said forecasts will be achieved. Actual results may vary significantly due to various factors. For more information on the preconditions on which the forecasts are based and the notes on its use, please see “1. Overview of Operating Results, etc. (4) Future Outlook” on page 4 of the attachments.

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1. Overview of Operating Results, etc.

(1) Overview of Operating Results for the Fiscal Year under Review

The Group provides a variety of solutions that E-Commerce operators need in order to launch and operate business. The Group's goal is the development and growth of a sound E-Commerce market in which everyone, including consumers and E-Commerce operators, can engage in transactions that are safe and secure. To achieve this, the Group engages in business activities as a corporate group that offers E-Commerce platforms that provide business infrastructure for E-Commerce operators.

The domestic E-Commerce market, the Group's primary business area, has been continually growing, backed by the diversification of products sold, a rising number of market participants, dramatic reductions in delivery times by logistics operators, increases in the amount of information shared via social media, and other factors. In the domestic E-Commerce market, which grew rapidly due to the impact of the COVID-19 pandemic, as economic activity has normalized from FY2022 onward, the rate of growth has slowed down, but the market is continuing to grow steadily. For consumers, new lifestyles and workstyles appear to have taken firm hold, prompting the need for business developments that align with current trends. To support businesses facing challenges in this rapidly changing market, the Group aims to expand its business domains while working toward becoming "an E-Commerce platform that maximizes the power of people using our technology." This will be achieved by expanding the range of optional and alliance services that increase store sales, entering the E-Commerce consulting business, and providing solutions that enhance the value of customer experiences, such as web-based customer services.

Under this business environment, during the fiscal year ended March 31, 2024, the Group strove to ensure net sales in line with market growth and actively engaged in growth investment in order to adapt to the future market environment.

Future Shop Co., Ltd.

Future Shop Co., Ltd., provider of "futureshop," has expanded the optional and alliance services available on "futureshop," including the launch of an optional service allowing consumers to make payments by au PAY (online payment) on E-Commerce sites built on "futureshop," resulting in increased sales and profit year-on-year. In November 2023, Future Shop opened "FUTURE 20th SQUARE" on the social VR platform "VRChat" as an event to celebrate the 20th anniversary of the "futureshop" service launch. This initiative explores new ways of communicating with consumers of the future within a virtual space where technology and creativity converge.

Softel Inc.

Softel Inc., provider of our Tsuhan-Suruzo software, has initiated API integration between Tsuhan-Suruzo and the cloud POS Smaregi, enhancing integration necessary for OMO strategies with physical stores, including product information, inventory information, membership information, point information, etc. While net sales remained strong due to these efforts, growth investments in the development of optional functions to improve back-office operational efficiency using generated AI for Tsuhan-Suruzo and increased costs to upgrade the skills of engineers resulted in increased sales and decreased profits year-on-year.

Other

For SAMURAI TECHNOLOGY Co., Ltd. and SOLAIRO, INC., which became part of the Group during the previous fiscal year, we are intensifying investments to further upgrade the skills of the obtained engineer resources. SOLAIRO, INC. is currently developing solutions that propose new ways of providing web-based customer service.

As a result of these efforts, the operating results of the Group and the financial results of its main consolidated subsidiaries during the fiscal year ended March 31, 2024 are as indicated in the table below.

[Consolidated financial results]

(Thousands of yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024	Increase/decrease	Percentage (%)
Net sales	3,196,433	3,557,276	360,842	11.3
EBITDA	699,016	794,441	95,425	13.7
Operating profit	580,350	644,001	63,651	11.0
Ordinary profit	608,006	702,414	94,407	15.5
Profit attributable to owners of parent	441,358	414,864	(26,494)	(6.0)

*EBITDA = Operating profit + Depreciation + Amortization of goodwill

[Financial results of major consolidated subsidiaries]

(Thousands of yen)

		For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024	Increase/decrease	Percentage (%)
Future Shop Co., Ltd.	Net sales	2,435,375	2,574,630	139,254	5.7
	Operating profit	699,878	819,102	119,224	17.0
Softel Inc.	Net sales	720,903	748,630	27,727	3.8
	Operating profit	92,095	57,992	(34,103)	(37.0)

(2) Overview of Financial Position for the Fiscal Year under Review

(Assets)

Current assets at the end of the fiscal year ended March 31, 2024 decreased by ¥892 thousand from the end of the previous fiscal year to ¥2,305,885 thousand. This was primarily due to a decrease of ¥111,226 thousand in deposits paid due to the purchase of treasury shares. Non-current assets increased by ¥377,587 thousand from the end of the previous fiscal year to ¥1,576,802 thousand. This was primarily due to an increase of ¥439,374 thousand in investment securities due to the additional purchase of investment securities and a rise in market price. As a result, total assets increased by ¥376,694 thousand from the end of the previous fiscal year to ¥3,882,688 thousand.

(Liabilities)

Current liabilities at the end of the fiscal year ended March 31, 2024 increased by ¥107,326 thousand from the end of the previous fiscal year to ¥915,574 thousand. This was primarily due to an increase of ¥70,996 thousand in income taxes payable. Non-current liabilities increased by ¥40,792 thousand from the end of the previous fiscal year to ¥122,138 thousand. This was primarily due to an increase of ¥43,760 thousand in deferred tax liabilities resulting from a rise in the market price of investment securities. As a result, total liabilities increased by ¥148,119 thousand from the end of the previous fiscal year to ¥1,037,713 thousand.

(Net assets)

Total net assets at the end of the fiscal year ended March 31, 2024 increased by ¥228,575 thousand from the end of the previous fiscal year to ¥2,844,974 thousand. This was primarily due to profit attributable to owners of parent of ¥414,864 thousand and an increase in valuation difference on available-for-sale securities of ¥117,729 thousand, despite the purchase of treasury shares of ¥109,797 thousand and dividend paid of ¥194,220 thousand. As a result, the equity-to-asset ratio was 73.3% (compared to 74.6% at the end of the previous fiscal year).

The Company operates in a single segment, the E-Commerce platform business segment. Therefore, descriptive information about its reportable segments is not stated in this document.

(3) Overview of Cash Flows for the Fiscal Year under Review

During the fiscal year ended March 31, 2024, cash and cash equivalents (hereinafter “net cash”) increased by ¥125,154 thousand from the end of the previous fiscal year to ¥1,733,879 thousand.

The status of cash flows and their contributing factors during the fiscal year ended March 31, 2024 are as follows.

(Cash flows from operating activities)

Net cash provided by operating activities was ¥778,607 thousand (compared to ¥163,971 thousand provided in the previous fiscal year).

This was primarily due to ¥696,045 thousand in profit before income taxes, ¥119,924 thousand in depreciation, ¥30,515 thousand in amortization of goodwill, ¥24,146 thousand in gain on sale of investment securities, and a decrease of ¥111,226 thousand in deposits paid.

(Cash flows from investing activities)

Net cash used in investing activities was ¥367,764 thousand (compared to ¥56,403 thousand used in the previous fiscal year).

This was primarily due to ¥113,748 thousand in purchase of intangible assets due to software development by Future Shop Co., Ltd. such as the development of new functions, ¥32,739 thousand in proceeds from sale of investment securities, and ¥278,625 thousand in purchase of investment securities such as Enecycle Inc., an equity method affiliate.

(Cash flows from financing activities)

Net cash used in financing activities was ¥307,406 thousand (compared to ¥142,767 thousand used in the previous fiscal year).

This was primarily due to ¥193,995 thousand in dividends paid, and ¥109,797 thousand in purchase of treasury shares.

(4) Future Outlook

(Outlook for the entire Group)

The adoption rate of E-Commerce in Japan is still at a low level compared to those of Western countries and China, and Japan’s BtoC E-Commerce market is expected to continue to grow significantly. A tendency of sales channels to transition from physical stores to e-commerce stores and that of more retailers to adopt E-Commerce are also expected continue.

In such an environment, the Group plans to continue growing by leveraging its strength to provide SaaS solutions that encompass the entire process from the interface, the front end of an E-Commerce site, to the back end, including sales orders and inventory management. The Group has prepared its financial results forecast for the fiscal year ending March 31, 2025, taking into account this environment, as it did for the fiscal year ended March 31, 2024. For the fiscal year ending March 31, 2025, we forecast net sales of ¥3,815 million (up 7.3% year-on-year), operating profit of ¥604 million (down 6.1% year-on-year), ordinary profit of ¥683 million (down 2.7% year-on-year), and profit of ¥454 million (up 9.6% year-on-year).

(Net sales)

As a holding company, the Company oversees five consolidated business subsidiaries of the Group: Future Shop

Co., Ltd., Softel Inc., TradeSafe Inc., SAMURAI TECHNOLOGY Co., Ltd., and SOLAIRO, INC. The businesses

operated by the consolidated subsidiaries are connected from the perspective of supporting E-Commerce website operations, and the Group operates as a single E-Commerce platform business segment that provides services needed by E-Commerce website operators through one-stop Group-wide service. The forecasts for net sales of the major subsidiaries are based on the assumptions below.

(i) Future Shop Co., Ltd.

Future Shop Co., Ltd. provides “futureshop,” a SaaS-based E-Commerce website construction and operation support platform, mainly for SME E-Commerce website operators. Net sales consist mainly of sales from the futureshop service (monthly usage fees and initial setup fees) and sales associated with affiliated services. Sales from the futureshop service are calculated based on the assumption that the number of shops will increase by 0.5% from the end of the previous fiscal year and that sales per customer will also increase, taking into consideration the result of the previous fiscal year. Sales associated with affiliated services are calculated by taking into account the result of the previous fiscal year and the increase in total value of transactions made through settlement agencies. As a result, Future Shop Co., Ltd. is expected to achieve net sales of ¥2,669 million (up 3.7% year-on-year).

(ii) Softel Inc.

Softel Inc. provides systems including the Tsuhan-Suruzo software for centralized backyard management of E-Commerce operators with multiple shops on a SaaS basis, partially customized to meet customer needs. Net sales consist mainly of customization sales related to initial setup and modifications of the Tsuhan-Suruzo software and monthly maintenance sales, which are set at a fixed monthly fee. Customization sales are forecasted based primarily on projects to be ordered up to March 2025, taking into account the timings of project acceptance inspections and the development resources secured at SAMURAI TECHNOLOGY Co., Ltd., a group company. As a result, Softel Inc. is expected to achieve net sales of ¥765 million (up 2.2% year-on-year).

(Cost of sales)

Cost of sales consists mainly of human resource costs for system development, server-related expenses, and depreciation. Human resource costs for system development are calculated based on the personnel hiring plan and the result of the previous fiscal year. Server-related expenses are calculated by multiplying sales by a fixed rate. Depreciation mainly consists of the depreciation of developed software, calculated from the capitalized portion of software in progress resulting from the software development plan. As a result, cost of sales is expected to be ¥1,674 million (up 8.6% year-on-year), and gross profit to be ¥2,140 million (up 6.2% year-on-year).

(Selling, general and administrative expenses and operating profit)

Selling, general and administrative expenses are expected to be ¥1,536 million (up 12.0% year-on-year). Selling, general and administrative expenses consist of personnel expenses and other expenses such as fee expenses, with personnel expenses calculated mainly based on the personnel hiring plans for customer support, administrative, and sales sections amid business expansion. In addition, we plan to increase advertising expenses to raise our profile and acquire customers. Other expenses are aggregated by account item based on the most recent results. As a result, operating profit is expected to be ¥604 million (down 6.1% year-on-year).

(Non-operating income (expenses) and ordinary profit)

For non-operating income, dividend income of ¥5 million from shares of Wistron Information Tech & Services Corp. held by the Company and a share of profit of entities accounted for using equity method of ¥73 million are expected. Non-operating expenses are not expected to be incurred. As a result, ordinary profit is expected to be ¥683 million (down 2.7% year-on-year).

(Extraordinary income (losses))

For extraordinary income, a gain on sale of investment securities of ¥10 million (down 58.6% year-on-year) is expected. No extraordinary losses are expected to be incurred.

(Profit attributable to owners of parent)

Tax expenses are estimated at ¥238 million based on the effective tax rate. As a result, profit attributable to owners of parent is expected to be ¥454 million (up 9.6% year-on-year).

[Notes on financial results forecast]

Results forecasts and other forward-looking statements presented in this document are based on information currently available to the Group and certain assumptions that are deemed reasonable. Actual results may vary due to various factors.

2. Basic Approach to Selection of Accounting Standards

The Company currently operates in Japan, so it is the Company's policy to prepare its financial statements in accordance with Japanese GAAP for the time being. Taking into account future business development and domestic and overseas trends, the Company will consider adopting the International Financial Reporting Standards (IFRS).

3. Consolidated Financial Statements and Principal Notes**(1) Consolidated Balance Sheets**

(Thousands of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	1,608,724	1,733,879
Trade receivables and contract asset	290,977	293,050
Work in process	5,872	7,562
Prepaid expenses	91,027	88,808
Deposits paid	112,220	994
Other	201,958	184,825
Allowance for doubtful accounts	(4,002)	(3,234)
Total current assets	2,306,778	2,305,885
Non-current assets		
Property, plant and equipment		
Buildings, net	68,756	62,516
Tools, furniture and fixtures, net	13,193	10,224
Other, net	9,032	5,747
Total property, plant and equipment	90,981	78,489
Intangible assets		
Goodwill	61,031	-
Software	257,924	283,155
Software in progress	59,170	45,280
Other	5,144	77
Total intangible assets	383,270	328,514
Investments and other assets		
Investment securities	563,479	1,002,854
Distressed receivables	3,058	2,562
Leasehold and guarantee deposits	98,090	102,601
Deferred tax assets	47,358	47,463
Other	16,017	16,863
Allowance for doubtful accounts	(3,041)	(2,546)
Total investments and other assets	724,962	1,169,798
Total non-current assets	1,199,215	1,576,802
Total assets	3,505,993	3,882,688

(Thousands of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	37,446	33,676
Short-term borrowings	47,000	47,000
Advances received	408,635	422,847
Income taxes payable	104,885	175,881
Provision for bonuses	581	5,107
Other	209,699	231,062
Total current liabilities	808,247	915,574
Non-current liabilities		
Deferred tax liabilities	21,667	65,428
Asset retirement obligations	47,445	47,629
Other	12,232	9,081
Total non-current liabilities	81,345	122,138
Total liabilities	889,593	1,037,713
Net assets		
Shareholders' equity		
Share capital	210,400	210,400
Capital surplus	160,400	160,400
Retained earnings	2,123,373	2,095,031
Treasury shares	(139,224)	(36)
Total shareholders' equity	2,354,948	2,465,794
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	261,450	379,180
Total accumulated other comprehensive income	261,450	379,180
Total net assets	2,616,399	2,844,974
Total liabilities and net assets	3,505,993	3,882,688

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Thousands of yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Net sales	3,196,433	3,557,276
Cost of sales	1,392,326	1,542,088
Gross profit	1,804,107	2,015,187
Selling, general and administrative expenses	1,223,756	1,371,185
Operating profit	580,350	644,001
Non-operating income		
Interest income	22	26
Dividend income	25,715	23,068
Foreign exchange gains	628	23,087
Sponsorship money income	-	7,500
Other	1,452	5,883
Total non-operating income	27,818	59,566
Non-operating expenses		
Interest expenses	-	188
Loss on limited liability partnership	-	836
Other	162	128
Total non-operating expenses	162	1,153
Ordinary profit	608,006	702,414
Extraordinary income		
Gain on sale of investment securities	71,526	24,146
Total extraordinary income	71,526	24,146
Extraordinary losses		
Impairment losses	-	30,515
Total extraordinary losses	-	30,515
Profit before income taxes	679,533	696,045
Income taxes - current	235,583	289,495
Income taxes - deferred	2,591	(8,314)
Total income taxes	238,175	281,181
Profit	441,358	414,864
Profit attributable to owners of parent	441,358	414,864

Consolidated Statements of Comprehensive Income

(Thousands of yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Profit	441,358	414,864
Other comprehensive income		
Valuation difference on available-for-sale securities	27,586	117,729
Total other comprehensive income	27,586	117,729
Comprehensive income	468,944	532,593
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	468,944	532,593

(3) Consolidated Statements of Changes in Equity

Fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	210,400	160,400	1,682,015	(70)	2,052,744
Changes during period					
Dividends of surplus					-
Profit attributable to owners of parent			441,358		441,358
Purchase of treasury shares				(139,154)	(139,154)
Cancellation of treasury shares					-
Transfer from retained earnings to capital surplus					-
Net changes in items other than shareholders' equity					-
Total changes during period	-	-	441,358	(139,154)	302,204
Balance at end of period	210,400	160,400	2,123,373	(139,224)	2,354,948

	Accumulated other comprehensive income		Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income	
Balance at beginning of period	233,864	233,864	2,286,609
Changes during period			
Dividends of surplus			-
Profit attributable to owners of parent			441,358
Purchase of treasury shares			(139,154)
Cancellation of treasury shares			-
Transfer from retained earnings to capital surplus			-
Net changes in items other than shareholders' equity	27,586	27,586	27,586
Total changes during period	27,586	27,586	329,790
Balance at end of period	261,450	261,450	2,616,399

Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	210,400	160,400	2,123,373	(139,224)	2,354,948
Changes during period					
Dividends of surplus			(194,220)		(194,220)
Profit attributable to owners of parent			414,864		414,864
Purchase of treasury shares				(109,797)	(109,797)
Cancellation of treasury shares		(248,985)		248,985	-
Transfer from retained earnings to capital surplus		248,985	(248,985)		-
Net changes in items other than shareholders' equity					-
Total changes during period	-	-	(28,341)	139,187	110,846
Balance at end of period	210,400	160,400	2,095,031	(36)	2,465,794

	Accumulated other comprehensive income		Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income	
Balance at beginning of period	261,450	261,450	2,616,399
Changes during period			
Dividends of surplus			(194,220)
Profit attributable to owners of parent			414,864
Purchase of treasury shares			(109,797)
Cancellation of treasury shares			-
Transfer from retained earnings to capital surplus			-
Net changes in items other than shareholders' equity	117,729	117,729	117,729
Total changes during period	117,729	117,729	228,575
Balance at end of period	379,180	379,180	2,844,974

(4) Consolidated Statements of Cash Flows

(Thousands of yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	679,533	696,045
Depreciation	117,756	119,924
Amortization of goodwill	909	30,515
Impairment losses	-	30,515
Increase (decrease) in allowance for doubtful accounts	(147)	(1,263)
Increase (decrease) in provision for bonuses	(26,036)	4,525
Interest and dividend income	(25,737)	(23,095)
Interest expenses	-	188
Foreign exchange losses (gains)	(848)	(22,206)
Loss (gain) on sale of investment securities	(71,526)	(24,146)
Decrease (increase) in trade receivables	10,109	(1,577)
Decrease (increase) in inventories	28	(1,689)
Decrease (increase) in prepaid expenses	(370)	2,218
Increase (decrease) in trade payables	(17,078)	(3,770)
Increase (decrease) in advances received	(2,151)	14,211
Decrease (increase) in deposits paid	(111,289)	111,226
Other, net	(132,708)	19,611
Subtotal	420,441	951,234
Interest and dividends received	25,737	23,095
Interest paid	-	(188)
Income taxes paid	(282,207)	(195,533)
Net cash provided by (used in) operating activities	163,971	778,607
Cash flows from investing activities		
Purchase of property, plant and equipment	(7,684)	(3,233)
Purchase of intangible assets	(101,633)	(113,748)
Proceeds from sale of investment securities	106,160	32,739
Purchase of investment securities	(9,996)	(278,625)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(43,283)	-
Other, net	33	(4,896)
Net cash provided by (used in) investing activities	(56,403)	(367,764)
Cash flows from financing activities		
Repayments of lease liabilities	(3,612)	(3,612)
Purchase of treasury shares	(139,154)	(109,797)
Dividends paid	-	(193,995)
Net cash provided by (used in) financing activities	(142,767)	(307,406)
Effect of exchange rate change on cash and cash equivalents	453	21,718
Net increase (decrease) in cash and cash equivalents	(34,744)	125,154
Cash and cash equivalents at beginning of period	1,643,469	1,608,724
Cash and cash equivalents at end of period	1,608,724	1,733,879

(5) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Segment information, etc.)

Segment information is omitted as the Group's business segment consists of a single segment, the E-Commerce platform business, and the information is insignificant.

(Per share information)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Net assets per share	¥356.26	¥395.50
Basic earnings per share	¥58.78	¥57.53

(Notes) 1. Diluted earnings per share are not presented since there are no dilutive shares.

2. Basic earnings per share are calculated based on the following:

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Basic earnings per share		
Profit attributable to owners of parent (Thousands of yen)	441,358	414,864
Amount not attributable to common shareholders (Thousands of yen)	-	-
Profit attributable to owners of parent relating to common shares (Thousands of yen)	441,358	414,864
Average number of common shares outstanding during period	7,509,197	7,211,152

(Significant subsequent events)

Not applicable.