

# Consolidated Financial Results

## for the Fiscal Year Ended March 31, 2024 (under Japanese GAAP)

May 9, 2024

Company name: for Startups, Inc.	Listing: Tokyo Stock Exchange
Securities code: 7089	URL: <a href="https://forstartups.com/en/">https://forstartups.com/en/</a>
Representative: Yuichiro Shimizu, President and CEO	
Contact: Isao Kikuchi, Director and Head of Corporate Division	
Mail: ir@forstartups.com	
Planned date of annual general meeting of shareholders:	June 21, 2024
Planned start date for payment of dividends:	-
Planned date of annual securities report submission:	June 24, 2024
Preparation of supplemental explanatory material for full-year results:	Yes (published on the Company's website)
Holding of briefing for full-year results:	Yes (for institutional investors and analysts)

(Note: Amounts less than one million yen are rounded down)

### 1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (April 1, 2023 to March 31, 2024)

#### (1) Consolidated Operating Results (Percentage figures represent year-on-year changes)

	Net sales		Operating income		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2024	3,416	13.9	423	(27.6)	428	(27.0)	385	(12.7)
Fiscal year ended March 31, 2023	2,998	27.7	585	19.8	586	19.2	442	15.6

(Note) Comprehensive income:

Fiscal year ended March 31, 2024 248 million yen (down 40.9%)

Fiscal year ended March 31, 2023 419 million yen (up 12.9%)

	Basic net income per share	Diluted net income per share	Return on equity (ROE)	Ratio of ordinary profit to total assets	Ratio of operating income to net sales
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2024	107.92	105.82	19.6	13.8	12.4
Fiscal year ended March 31, 2023	124.76	121.29	28.7	21.2	19.5

#### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Total equity per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2024	3,241	2,545	67.1	596.43
As of March 31, 2023	2,969	2,190	59.5	498.40

(Reference) Equity:

As of March 31, 2024 2,174 million yen

As of March 31, 2023 1,767 million yen

#### (3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended March 31, 2024	179	(293)	24	1,655
Fiscal year ended March 31, 2023	(35)	(90)	153	1,745

2. Dividend Status

	Dividend per share					Total dividends (Annual)	Dividend payout ratio (Consolidated)	Ratio of dividends to total equity (Consolidated)
	1Q-end	2Q-end	3Q-end	4Q-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2023	—	0.00	—	0.00	0.00	—	—	—
Fiscal year ended March 31, 2024	—	0.00	—	0.00	0.00	—	—	—
Fiscal year ending March 31, 2025 (Forecast)	—	0.00	—	0.00	0.00		—	

3. Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2025 (April 1, 2024 to March 31, 2025)

(Percentage figures represent year-on-year changes)

	Net sales		Operating income		Ordinary profit		Profit attributable to owners of parent		Basic net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	4,100	20.0	450	6.3	450	5.0	310	(19.7)	85.02

\* Notes

- (1) Changes in significant subsidiaries during the period  
(Changes in specified subsidiaries resulting in changes in scope of consolidation): None
- (2) Changes in accounting policies, changes in accounting estimates, and restatements
  - (i) Changes in accounting policies due to revisions to accounting standards: None
  - (ii) Changes in accounting policies due to other reasons: None
  - (iii) Changes in accounting estimates: Yes
  - (iv) Restatements: None
- (3) Number of shares issued (common stock)
  - (i) Number of shares issued at the end of the period (including treasury stock)
 

As of March 31, 2024	3,646,400 shares
As of March 31, 2023	3,546,800 shares
  - (ii) Number of treasury stock at the end of the period
 

As of March 31, 2024	156 shares
As of March 31, 2023	156 shares
  - (iii) Average number of shares during the period
 

Fiscal year ended March 31, 2024	3,576,784 shares
Fiscal year ended March 31, 2023	3,545,988 shares

(Reference) Overview of non-consolidated results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (April 1, 2023 to March 31, 2024)

(1) Non-consolidated Operating Results

(Percentage figures represent year-on-year changes)

	Net sales		Operating income		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2024	3,393	13.2	571	(3.7)	577	(2.9)	404	(5.6)
Fiscal year ended March 31, 2023	2,998	27.7	592	20.3	594	19.7	428	13.1

	Basic net income per share	Diluted net income per share
	Yen	Yen
Fiscal year ended March 31, 2024	113.23	111.03
Fiscal year ended March 31, 2023	120.94	117.57

## (2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Total equity per share
	Millions of yen	Millions of yen	%	Yen
Fiscal year ended March 31, 2024	2,891	2,208	75.3	596.88
Fiscal year ended March 31, 2023	2,542	1,767	68.9	493.50

(Reference)	Equity:	
	As of March 31, 2024	2,176 million yen
	As of March 31, 2023	1,750 million yen

\* This report is not subject to the review by certified public accountants or auditing firms.

\* Description concerning the appropriate use of earnings forecasts and other remarks

The earnings forecasts and other Forward-Looking statements stated in this document are based on information currently available to the Company and certain assumptions determined to be reasonable, and are not intended to provide the Company's assurances of their achievement. Furthermore, actual results, etc. may significantly differ due to a variety of factors. Please refer to "1. Overview of Operating Results, etc." in the attached materials for the assumptions underpinning earnings forecasts and precautions for using earnings forecasts. Furthermore, the Company plans to hold an earnings briefing on May 10, 2024. The earnings briefing materials used on the day will be published on the Company's website.

Consolidated Financial Statements and Notes  
(1) Consolidated Balance Sheet

(Units: thousand yen)

	Fiscal Year 2023 (As of March 31, 2023)	Fiscal Year 2024 (As of March 31, 2024)
<b>Assets</b>		
Current assets		
Cash and deposits	1,745,270	1,655,674
Accounts receivable - trade	331,195	512,905
Operational investment securities	463,408	378,171
Prepaid expenses	25,012	34,370
Other	2,635	2,969
Allowance for doubtful accounts	—	(1,989)
<b>Total current assets</b>	<b>2,567,522</b>	<b>2,582,102</b>
Non-current assets		
Property, plant and equipment		
Buildings	115,612	115,612
Accumulated depreciation	(8,541)	(59,624)
Buildings, net	107,071	55,988
Tools, furniture and fixtures	30,936	30,837
Accumulated depreciation	(14,670)	(18,872)
Tools, furniture and fixtures, net	16,265	11,965
<b>Total property, plant and equipment</b>	<b>123,336</b>	<b>67,953</b>
Intangible assets		
Other	68	13
<b>Total intangible assets</b>	<b>68</b>	<b>13</b>
Investments and other assets		
Investment securities	68,336	61,881
Deferred tax assets	64,056	106,122
Leasehold and guarantee deposits	146,261	423,272
Distressed receivables	—	4,015
Other	216	116
Allowance for doubtful accounts	—	(4,015)
<b>Total investments and other assets</b>	<b>278,871</b>	<b>591,393</b>
<b>Total non-current assets</b>	<b>402,276</b>	<b>659,361</b>
<b>Total assets</b>	<b>2,969,798</b>	<b>3,241,463</b>

(Units: thousand yen)

	Fiscal Year 2023 (As of March 31, 2023)	Fiscal Year 2024 (As of March 31, 2024)
<b>Liabilities</b>		
Current liabilities		
Accounts payable - other	426,509	235,353
Current portion of long-term borrowings	66,674	—
Income taxes payable	2,607	114,368
Accrued consumption taxes	52,979	58,320
Provision for bonuses	94,296	127,828
Provision for loss of office transfer expenses	—	31,085
Other	136,261	129,243
Total current liabilities	779,327	696,198
Total liabilities	779,327	696,198
<b>Net assets</b>		
Shareholders' equity		
Share capital	226,446	238,259
Capital surplus	226,763	238,577
Retained earnings	1,311,752	1,697,752
Treasury shares	(540)	(540)
Total shareholders' equity	1,764,422	2,174,048
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,228	692
Total accumulated other comprehensive income	3,228	692
Share acquisition rights	17,415	32,378
Non-controlling interests	405,404	338,145
Total net assets	2,190,470	2,545,264
<b>Total liabilities and net assets</b>	<b>2,969,798</b>	<b>3,241,463</b>

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

(Units: thousand yen)

	Fiscal Year 2023 (April 1, 2022 to March 31, 2023)	Fiscal Year 2024 (April 1, 2023 to March 31, 2024)
Net sales	2,998,644	3,416,101
Cost of sales	541,125	692,760
Gross profit	2,457,518	2,723,340
Selling, general and administrative expenses	1,872,223	2,299,876
Operating income	585,295	423,463
Non-operating income		
Interest income	14	13
Gain on investments in investment partnerships	—	6,117
Gain on sales of investment securities	—	429
Facility charges	1,000	—
Outsourcing Service Income	—	1,167
Miscellaneous income	3,103	3,324
Total non-operating income	4,118	11,052
Non-operating expenses		
Interest expenses	722	185
Share issuance costs	—	5,042
Loss on investments in investment partnerships	1,101	—
Consumption taxes for prior periods	668	—
Other	1	890
Total non-operating expenses	2,493	6,118
Ordinary profit	586,919	428,398
Extraordinary loss		
Provision for loss of office transfer expenses	—	31,085
Other	—	0
Total extraordinary loss	—	31,085
Profit before income taxes	586,919	397,313
Income taxes - current	180,794	188,776
Income taxes - deferred	(10,531)	(42,204)
Total income taxes	170,263	146,572
Profit	416,656	250,740
Profit (loss) attributable to non-controlling interests	(25,741)	(135,259)
Profit attributable to owners of parent	442,398	385,999

## (Consolidated Statement of Income)

(Units: thousand yen)

	Fiscal Year 2023 (April 1, 2022 to March 31, 2023)	Fiscal Year 2024 (April 1, 2023 to March 31, 2024)
Profit	416,656	250,740
Other comprehensive income		
Valuation difference on available-for-sale securities	3,210	(2,536)
Total other comprehensive income	3,210	(2,536)
Comprehensive income	419,866	248,204
Total comprehensive income attributable to:		
Owners of parent	445,608	383,463
Non-controlling interests	(25,741)	(135,259)

## (3) Consolidated Statement of Changes in Equity

Fiscal Year 2023 (April 1, 2022 to March 31, 2023)

(Thousand yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of the year	224,331	224,331	869,354	(286)	1,317,730
Changes during the year					
Issuance of new shares (Exercise of share acquisition rights)	2,114	2,114			4,229
Profit attributable to owners of parent			442,398		442,398
Purchase of treasury shares				(253)	(253)
Change in ownership interest of parent due to transactions with non-controlling interests		317			317
Net changes during the year of items other than shareholders' equity					
Total changes during the year	2,114	2,432	442,398	(253)	446,691
Balance at the end of the year	226,446	226,763	1,311,752	(540)	1,764,422

	Accumulated other comprehensive income		Share acquisition rights	Non- controlling interests	Total equity
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income			
Balance at the beginning of the year	18	18	2,332	165,463	1,485,544
Changes during the year					
Issuance of new shares (Exercise of share acquisition rights)					4,229
Profit attributable to owners of parent					442,398
Purchase of treasury shares					(253)
Change in ownership interest of parent due to transactions with non-controlling interests					317
Net changes during the year of items other than shareholders' equity	3,210	3,210	15,082	239,941	258,234
Total changes during the year	3,210	3,210	15,082	239,941	704,925
Balance at the end of the year	3,228	3,228	17,415	405,404	2,190,470



Fiscal Year 2024 (April 1, 2023 to March 31, 2024)

(Thousand yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of the year	226,446	226,763	1,311,752	(540)	1,764,422
Changes during the year					
Issuance of new shares (Exercise of share acquisition rights)	11,813	11,813			23,626
Profit attributable to owners of parent of the parent			385,999		385,999
Purchase of treasury shares					—
Change in ownership interest of parent due to transactions with non-controlling interests					—
Net changes during the year of items other than shareholders' equity					
Total changes during the year	11,813	11,813	385,999	—	409,626
Balance at the end of the year	238,259	238,577	1,697,752	(540)	2,174,048

	Accumulated other comprehensive income		Share acquisition rights	Non- controlling interests	Total equity
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income			
Balance at the beginning of the year	3,228	3,228	17,415	405,404	2,190,470
Changes during the year					
Issuance of new shares (Exercise of share acquisition rights)					23,626
Profit attributable to owners of parent of the parent					385,999
Purchase of treasury shares					—
Change in ownership interest of parent due to transactions with non-controlling interests					—
Net changes during the year of items other than shareholders' equity	(2,536)	(2,536)	14,962	(67,259)	(54,832)
Total changes during the year	(2,536)	(2,536)	14,962	(67,259)	354,794
Balance at the end of the year	692	692	32,378	338,145	2,545,264

## (4) Consolidated Statement of Cash Flows

(Thousand yen)

	Fiscal Year 2023 (April 1, 2022 to March 31, 2023)	Fiscal Year 2024 (April 1, 2023 to March 31, 2024)
<b>Cash flows from operating activities</b>		
Profit before income taxes	586,919	397,313
Depreciation	16,799	55,709
Share-based payment expenses	15,100	15,100
Increase (decrease) in provision for bonuses	35,958	35,532
Interest income	(14)	(13)
Interest expenses	722	185
Loss (gain) on investments in investment partnerships	1,101	(6,117)
Decrease (increase) in trade receivables	(59,160)	(181,710)
Decrease (increase) in operational investment securities	(308,723)	85,236
Decrease (increase) in distressed receivables	—	(4,015)
Loss (gain) on sales of investment securities	—	(429)
Increase (decrease) in allowance for doubtful accounts	—	6,004
Increase (decrease) in Provision for loss of office transfer expenses	—	31,085
Increase (decrease) in accounts payable – other	(105,180)	(190,666)
Increase (decrease) in accrued consumption taxes	(16,001)	5,341
Other, net	55,733	12,844
Subtotal	223,255	259,401
Interest received	14	13
Interest paid	(573)	(99)
Income taxes paid	(257,774)	(172,882)
Income taxes refunded	—	93,045
Net cash (used in) provided by operating activities	(35,076)	179,478
<b>Cash flows from investing activities</b>		
Purchases of property, plant and equipment	(84,135)	(761)
Purchases of investment securities	(10,110)	(0)
Payments of leasehold and guarantee deposits	(240)	(304,155)
Proceeds from refund of leasehold and guarantee deposits	3,777	539
Proceeds from sales of investment securities	—	429
Proceeds from distributions from investment partnerships	—	10,059
Net cash (used in) provided by investing activities	(90,708)	(293,889)
<b>Cash flows from financing activities</b>		
Repayments of long-term borrowings	(116,664)	(66,674)
Proceeds from issuance of shares resulting from exercise of share acquisition rights	4,212	23,488
Purchase of treasury shares	(253)	—
Proceeds from share issuance to non-controlling shareholders	266,000	68,000
Net cash (used in) provided by financing activities	153,294	24,814
Net (decrease) increase in cash and cash equivalents	27,509	(89,595)
Cash and cash equivalents at the beginning of period	1,717,761	1,745,270
Cash and cash equivalents at the end of period	1,745,270	1,655,674