

Consolidated Financial Results

for the First Quarter of the Fiscal Year Ending March 31, 2024

(under Japanese GAAP)

August 4, 2023

| | |
|---|--|
| Company name: for Startups, Inc. | Listing: Tokyo Stock Exchange |
| Securities code: 7089 | URL: https://forstartups.com/en/ |
| Representative: Yuichiro Shimizu, President and CEO | |
| Contact: Isao Kikuchi, Director and Head of Corporate Division | |
| TEL: +81-3-6893-0650 | |
| Planned date of quarterly report submission: | August 4, 2023 |
| Planned start date for payment of dividends: | - |
| Preparation of supplemental explanatory material for quarterly results: | Yes (published on the Company's website) |
| Holding of briefing for quarterly results: | Yes (for institutional investors and analysts) |

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

1. Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2024 (April 1, 2023 to June 30, 2023)

(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 | % |
| Three months ended June 30, 2023 | 729 | 2.9 | 101 | (38.0) | 99 | (39.3) | 71 | (38.4) |
| Three months ended June 30, 2022 | 709 | — | 163 | — | 164 | — | 116 | — |

(Note) Comprehensive income:

Three months ended June 30, 2023 63 million yen ((42.2%))

Three months ended June 30, 2022 110 million yen (—%)

| | Basic net income per share | Diluted net income per share |
|----------------------------------|----------------------------|------------------------------|
| | Yen | Yen |
| Three months ended June 30, 2023 | 20.21 | 19.68 |
| Three months ended June 30, 2022 | 32.85 | 31.94 |

(Note) The year-on-year changes for the three months ended June 30, 2022 are not shown because the Company began preparing quarterly consolidated financial statements from the six months ended September 30, 2021.

(2) Consolidated Financial Position

| | Total assets | Net assets | Equity ratio |
|----------------------|-----------------|-----------------|--------------|
| | Millions of yen | Millions of yen | % |
| As of June 30, 2023 | 2,742 | 2,258 | 67.0 |
| As of March 31, 2023 | 2,969 | 2,190 | 59.5 |

(Reference) Equity:

As of June 30, 2023 1,838 million yen

As of March 31, 2023 1,767 million yen

2. Dividend Status

| | Dividend per share | | | | |
|--|--------------------|--------|--------|--------|-------|
| | 1Q-end | 2Q-end | 3Q-end | 4Q-end | Total |
| | Yen | Yen | Yen | Yen | Yen |
| Fiscal year ended March 31, 2023 | — | 0.00 | — | 0.00 | 0.00 |
| Fiscal year ending March 31, 2024 | — | 0.00 | | | |
| Fiscal year ending March 31, 2024 (Forecast) | | | — | 0.00 | 0.00 |

(Note) Revisions to the dividend forecasts announced most recently: None

3. Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2024 (April 1, 2023 to March 31, 2024)

(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 | 3,300 | 10.0 | 330 | (43.6) | 330 | (43.8) | 240 | (45.8) | 67.67 |

(Note) Revisions to the earnings forecasts announced most recently: None

* Notes

- (1) Changes in significant subsidiaries during the period
(Changes in specified subsidiaries resulting in changes in scope of consolidation): None
- (2) Application of special accounting treatment for the preparation of quarterly consolidated financial statements: None
- (3) 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: None
 - (iv) Restatements: None
- (4) Number of shares issued (common stock)
 - (i) Number of shares issued at the end of the period (including treasury stock)

| | |
|----------------------|------------------|
| As of June 30, 2023 | 3,549,200 shares |
| As of March 31, 2023 | 3,546,800 shares |
 - (ii) Number of treasury stock at the end of the period

| | |
|----------------------|------------|
| As of June 30, 2023 | 156 shares |
| As of March 31, 2023 | 156 shares |
 - (iii) Average number of shares during the period

| | |
|----------------------------------|------------------|
| Three months ended June 30, 2023 | 3,547,145 shares |
| Three months ended June 30, 2022 | 3,543,955 shares |

* This report is not subject to the quarterly 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. Qualitative Information on the Quarterly Financial Results (4) Explanation of Consolidated Earnings Forecasts and Other Forward-Looking Information" for the conditions assumed when making earnings forecasts and precautions for using earnings forecasts. Furthermore, the Company plans to hold an earnings briefing on August 4, 2023. The earnings briefing materials used on the day will be published on the Company's website.

Quarterly Consolidated Financial Statements and Notes

(1) Quarterly Consolidated Balance Sheet

| | (Units: thousand yen) | |
|---|--|---|
| | Fiscal Year 2023 (As of March 31, 2023) | First Quarter of Fiscal Year 2024 (As of June 30, 2023) |
| Assets | | |
| Current assets | | |
| Cash and deposits | 1,745,270 | 1,534,451 |
| Accounts receivable - trade | 331,195 | 263,284 |
| Operational investment securities | 463,408 | 463,458 |
| Other | 27,648 | 112,495 |
| Allowance for doubtful accounts | — | (225) |
| Total current assets | 2,567,522 | 2,373,465 |
| Non-current assets | | |
| Property, plant and equipment | 123,336 | 120,299 |
| Intangible assets | 68 | 54 |
| Investments and other assets | | |
| Other | 278,871 | 252,522 |
| Allowance for doubtful accounts | — | (3,465) |
| Total Investments and other assets | 278,871 | 249,057 |
| Total non-current assets | 402,276 | 369,411 |
| Total assets | 2,969,798 | 2,742,876 |
| Liabilities | | |
| Current liabilities | | |
| Accounts payable - other | 426,509 | 177,038 |
| Current portion of long-term borrowings | 66,674 | 37,500 |
| Income taxes payable | 2,607 | 1,870 |
| Accrued consumption taxes | 52,979 | 28,225 |
| Provision for bonuses | 94,296 | 45,259 |
| Other | 136,261 | 194,201 |
| Total current liabilities | 779,327 | 484,094 |
| Total liabilities | 779,327 | 484,094 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 226,446 | 226,736 |
| Capital surplus | 226,763 | 227,053 |
| Retained earnings | 1,311,752 | 1,383,435 |
| Treasury shares | (540) | (540) |
| Total shareholders' equity | 1,764,422 | 1,836,684 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 3,228 | 1,738 |
| Total accumulated other comprehensive income | 3,228 | 1,738 |
| Share acquisition rights | 17,415 | 21,182 |
| Non-controlling interests | 405,404 | 399,175 |
| Total net assets | 2,190,470 | 2,258,782 |
| Total liabilities and net assets | 2,969,798 | 2,742,876 |

(2) Quarterly Consolidated Statements of Income and Comprehensive Income
(Quarterly Consolidated Statement of Income)
(For the three-month period)

| | (Units: thousand yen) | |
|---|--|--|
| | Three months ended June 30, 2022 (April 1, 2022 to June 30, 2022) | Three months ended June 30, 2023 (April 1, 2023 to June 30, 2023) |
| Net sales | 709,152 | 729,767 |
| Cost of sales | 123,932 | 110,959 |
| Gross profit | 585,219 | 618,807 |
| Selling, general and administrative expenses | 421,232 | 517,092 |
| Operating income | 163,986 | 101,715 |
| Non-operating income | | |
| Miscellaneous income | 613 | 220 |
| Total non-operating income | 613 | 220 |
| Non-operating expenses | | |
| Interest expenses | 236 | 86 |
| Loss on investments in investment partnerships | 349 | 2,253 |
| Total non-operating expenses | 585 | 2,340 |
| Ordinary profit | 164,014 | 99,595 |
| Profit before income taxes | 164,014 | 99,595 |
| Income taxes - current | 39,279 | 8,904 |
| Income taxes - deferred | 14,076 | 25,237 |
| Total income taxes | 53,355 | 34,141 |
| Profit | 110,658 | 65,454 |
| Profit (loss) attributable to non-controlling interests | (5,777) | (6,228) |
| Profit attributable to owners of parent | 116,435 | 71,682 |

(Quarterly Consolidated Statement of Income)
(For the three-month period)

| | (Units: thousand yen) | |
|---|--|--|
| | Three months ended June 30, 2022 (April 1, 2022 to June 30, 2022) | Three months ended June 30, 2023 (April 1, 2023 to June 30, 2023) |
| Profit | 110,658 | 65,454 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 59 | (1,489) |
| Total other comprehensive income | 59 | (1,489) |
| Comprehensive income | 110,717 | 63,964 |
| Total comprehensive income attributable to: | | |
| Owners of parent | 116,494 | 70,193 |
| Non-controlling interests | (5,777) | (6,228) |