

Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending March 31, 2024 (under Japanese GAAP)

February 6, 2024

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	
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Planned date of quarterly report submission:	February 6, 2024
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 Third Quarter of the Fiscal Year Ending March 31, 2024 (April 1, 2023 to December 31, 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	%
Nine months ended December 31, 2023	2,443	10.7	257	(47.1)	266	(45.5)	235	(31.8)
Nine months ended December 31, 2022	2,206	35.2	487	38.3	488	37.3	345	37.8

(Note) Comprehensive income:

Nine months ended December 31, 2023 104 million yen (down 68.2%)

Nine months ended December 31, 2022 327 million yen (up 31.9%)

	Basic net income per share	Diluted net income per share
	Yen	Yen
Nine months ended December 31, 2023	66.26	64.65
Nine months ended December 31, 2022	97.50	94.77

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2023	2,815	2,326	71.8
As of March 31, 2023	2,969	2,190	59.5

(Reference) Equity:

As of December 31, 2023 2,021 million yen

As of March 31, 2023 1,767 million yen

2. Divided Status

	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)

Full year	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
	3,300	10.0	370	(36.8)	370	(37.0)	340	(23.1)	95.07

(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 December 31, 2023	3,635,000 shares
As of March 31, 2023	3,546,800 shares
 - (ii) Number of treasury stock at the end of the period

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

Nine months ended December 31, 2023	3,556,767 shares
Nine months ended December 31, 2022	3,545,773 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.

Quarterly Consolidated Financial Statements and Notes

(1) Quarterly Consolidated Balance Sheet

(Units: thousand yen)

	Fiscal Year 2023 (As of March 31, 2023)	Third Quarter of Fiscal Year 2024 (As of December 31, 2023)
Assets		
Current assets		
Cash and deposits	1,745,270	1,427,264
Accounts receivable - trade	331,195	310,962
Operational investment securities	463,408	327,115
Other	27,648	110,645
Allowance for doubtful accounts	—	(1,220)
Total current assets	2,567,522	2,174,768
Non-current assets		
Property, plant and equipment	123,336	96,827
Intangible assets	68	27
Investments and other assets		
Leasehold and guarantee deposits	146,261	438,598
Other	132,609	109,286
Allowance for doubtful accounts	—	(4,015)
Total Investments and other assets	278,871	543,870
Total non-current assets	402,276	640,725
Total assets	2,969,798	2,815,493
Liabilities		
Current liabilities		
Accounts payable - other	426,509	197,611
Current portion of long-term borrowings	66,674	12,500
Income taxes payable	2,607	2,636
Accrued consumption taxes	52,979	23,037
Provision for bonuses	94,296	47,929
Provision for loss of office transfer expenses	—	31,085
Other	136,261	174,203
Total current liabilities	779,327	489,003
Total liabilities	779,327	489,003
Net assets		
Shareholders' equity		
Share capital	226,446	236,817
Capital surplus	226,763	237,134
Retained earnings	1,311,752	1,547,421
Treasury shares	(540)	(540)
Total shareholders' equity	1,764,422	2,020,833
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	28,647
Non-controlling interests	405,404	276,317
Total net assets	2,190,470	2,326,490
Total liabilities and net assets	2,969,798	2,815,493

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

(Units: thousand yen)

	Nine months ended December 31, 2022 (April 1, 2022 to December 31, 2022)	Nine months ended December 31, 2023 (April 1, 2023 to December 31, 2023)
Net sales	2,206,624	2,443,246
Cost of sales	387,024	525,085
Gross profit	1,819,600	1,918,160
Selling, general and administrative expenses	1,332,315	1,660,365
Operating income	487,284	257,794
Non-operating income		
Interest income	6	6
Gain on investments in investment partnerships	—	6,117
Gain on sales of investment securities	—	429
Facility Charges	1,000	—
Outsourcing Service Income	250	980
Miscellaneous income	2,067	1,525
Total non-operating income	3,324	9,059
Non-operating expenses		
Interest expenses	598	169
Loss on investments in investment partnerships	1,101	—
Other	1	189
Total non-operating expenses	1,701	358
Ordinary profit	488,907	266,495
Extraordinary loss		
Provision for loss of office transfer expenses	—	31,085
Total extraordinary loss	—	31,085
Profit before income taxes	488,907	235,410
Income taxes - current	156,497	108,158
Income taxes - deferred	5,544	20,670
Total income taxes	162,041	128,828
Profit	326,866	106,581
Profit (loss) attributable to non-controlling interests	(18,858)	(129,087)
Profit attributable to owners of parent	345,725	235,668

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

	(Units: thousand yen)	
	Nine months ended December 31, 2022 (April 1, 2022 to December 31, 2022)	Nine months ended December 31, 2023 (April 1, 2023 to December 31, 2023)
Profit	326,866	106,581
Other comprehensive income		
Valuation difference on available-for-sale securities	362	(2,536)
Total other comprehensive income	362	(2,536)
Comprehensive income	327,228	104,045
Total comprehensive income attributable to:		
Owners of parent	346,087	233,132
Non-controlling interests	(18,858)	(129,087)