

# Summary of Consolidated Financial Statement for the Six Months Ended June 30, 2024 [IFRS]

August 6, 2024  
Listed Market: TSE

SEPTENI HOLDINGS CO., LTD.

Stock Code: 4293 URL: <https://www.septeni-holdings.co.jp/en>

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Anticipated Financial Report Filing Date: August 8, 2024

Anticipated Dividend Payment Date: —

Supplemental Earnings Presentation Materials: Available

Earnings Presentation Meeting: Held for institutional investors, analysts, media

(All figures of less than 1 million yen are rounded down to the nearest digit)

## 1. Consolidated Financial Results for the Six Months Ended June 30, 2024 (From January 1, 2024 to June 30, 2024)

### (1) Consolidated Financial Result (Cumulative) (% figures represent year-over-year change)

	Revenue		Operating profit		Non-GAAP operating profit		Profit before tax		Profit		Profit attributable to owners of parent	
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%
Six months ended June 30, 2024	13,989	—	1,742	—	1,767	—	2,483	—	3,991	—	4,005	—
March 31, 2023	13,661	—	2,373	—	2,515	—	3,386	—	2,134	—	2,156	—

(Note) 1. Non-GAAP operating profit is a profit indicator of constant business performance determined by excluding gain and loss related to acquisition actions such as amortization of acquisition-related intangible assets and M&A expenses, and temporary factors such as share-based payment expenses, impairment loss, and gain or loss on the sales of fixed assets from the IFRS-based operating profit.

2. As the fiscal year ended December 31, 2023 is 15 months due to a change in the fiscal year-end, the six months ended March 31, 2023 is from October 1, 2022 to March 31, 2023 and the six months ended June 30, 2024 is from January 1, 2024 to June 30, 2024, and the rate of year-over-year change is not stated.

3. As the results of COMICSMART INC. and its subsidiaries, etc. have been reclassified as discontinued operations, revenue, operating profit, Non-GAAP operating profit and profit before tax represent the amount of continuing operations, excluding discontinued operations.

	Basic earnings per share		Diluted earnings per share	
Six months ended	Yen		Yen	
June 30, 2024	19.32		19.29	
March 31, 2023	10.28		10.26	

### (2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets
As of	Million Yen	Million Yen	Million Yen	%
June 30, 2024	96,798	68,623	68,557	70.8
December 31, 2023	93,606	65,705	65,594	70.1

## 2. Dividends

	Dividends					
	End of 1Q	End of 2Q	End of 3Q	End of 4Q	Term-end	Total
	Yen	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2023	—	—	—	—	5.20	5.20
Fiscal year ending December 31, 2024	—	—	—	—	—	—
Fiscal year ending December 31, 2024 (Estimate)	—	—	—	—	31.35	31.35

(Note) 1. Revision to the most recently announced dividends estimates: Yes

2. For the revision of dividend forecast, please refer to “Notice of Changes in Shareholder Return Policy and Revision of Year-End Dividend Forecast (Dividend Increase)” released today (on August 6, 2024).

## 3. Consolidated Forecasts for the Fiscal Year Ending December 31, 2024 (From January 1, 2024 to December 31, 2024)

(% figures represent year-over-year change)

	Revenue		Non-GAAP operating profit		Profit for the period attributable to owners of parent		Basic earnings per share
	Million Yen	%	Million Yen	%	Million Yen	%	Yen
Full Year	31,000	—	4,700	—	6,500	—	31.35

(Note) 1. Revision to the most recently announced consolidated forecasts: None

2. As the fiscal year ended December 31, 2023 is 15 months due to a change in the fiscal year-end, the rate of year-over-year change is not stated.

\*Others

- (1) Significant changes in the scope of consolidation during the current six months: Yes  
Excluded: 9 companies (COMICSMART INC. and its subsidiaries, etc.)
- (2) Changes in accounting policies and accounting estimates
- (i) Changes in accounting policies required by IFRS: None
  - (ii) Changes in accounting policies due to other reasons: None
  - (iii) Changes in accounting estimates: None

(3) Number of issued and outstanding shares (common shares)

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

As of June 30, 2024	211,389,654 shares
As of December 31, 2023	211,079,654 shares

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

As of June 30, 2024	3,964,545 shares
As of December 31, 2023	3,964,545 shares

- (iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Six months ended June 30, 2024	207,270,109 shares
Six months ended March 31, 2023	209,667,696 shares

\*The summary of consolidated financial statements is not subject to the auditing by the Certified Public Accountants or the audit corporation.

\*Notes for using forecasted information and others

(1) Consolidated Forecasts

Any description regarding the future in this material, such as financial results forecasts and an outlook, is based on the available information and certain conditions which the Company believes to be reasonable at the moment, and actual financial results may differ from the forecasts due to various factors.

For the conditions which the forecasts are based on, please refer to “1. Qualitative Information on the Financial Results for the Six Months (2) Explanation of Earnings Forecasts and Other Forward-Looking Information.”

(2) Way of getting supplemental material of annual results

The Company will hold a financial results briefing as below. The briefing materials will be available on the website after the summary of consolidated financial statements is disclosed. The transcript of the briefing will be also available on the website.

August 6, 2024 (Tue.) – FY12/2024 Second Quarter Financial Results Briefing for Institutional Investors, Analysts and the Press

## Index

1. Qualitative Information on the Financial Results for the Six Months .....	2
(1) Explanation of Financial Results .....	2
(2) Explanation of Earnings Forecasts and Other Forward-Looking Information .....	3
2. Consolidated Financial Statements for the Six Months and Key Notes .....	4
(1) Consolidated Statement of Financial Position for the Six Months .....	4
(2) Consolidated Statement of Profit or Loss for the Six Months and Consolidated Statement of Comprehensive Income for the Six Months .....	6
(3) Consolidated Statement of Changes in Equity for the Six Months .....	8
(4) Consolidated Statement of Cash Flow for the Six Months .....	9
(5) Notes on Consolidated Financial Statements for the Six Months .....	11
(i) Notes on Matters Related to Going Concern Assumption .....	11
(ii) Information on Reportable Segments .....	11
(iii) Subsequent Events .....	12

1. Qualitative Information on the Financial Results for the Six Months

Due to a change in the fiscal year-end, the previous fiscal year is the 15-month period from October 1, 2022 to December 31, 2023, and the rate of year-over-year change in consolidated results on a financial reporting basis is not stated.

As the results of COMICSMART INC. and its subsidiaries, etc. have been reclassified as discontinued operations, revenue, operating profit, Non-GAAP operating profit represent the amount of continuing operations, excluding discontinued operations.

(1) Explanation of Financial Results

For the six months ended June 30, 2024 (hereinafter “the current six months”), in the main Digital Marketing Business, Marketing Communication Area, which sells and operates digital advertising and provides integrated online-offline marketing support, was the driving force of the business. In the Media Platform Business, the Company advanced efforts to create new profit opportunities with the aim of adapting to the post-COVID environment.

Also, profit attributable to owners of parent increased significantly due to the gain on the partial transfer of shares of COMICSMART INC.

As a result, revenue was ¥13,989 million, operating profit was ¥1,742 million, Non-GAAP operating profit was ¥1,767 million, and profit attributable to owners of parent was ¥4,005 million.

The Group discloses consolidated financial results in terms of both its internal measures which management relies upon in making decisions (hereinafter the “Non-GAAP financial measures”) and those under IFRS. Non-GAAP operating profit is a profit indicator of constant business performance determined by excluding gains and losses related to acquisition actions and temporary factors from the IFRS-based operating profit. Management believes that the disclosure of Non-GAAP financial measures facilitates comparison between the Group and industry peers and year-on-year comparisons by stakeholders and can provide useful information in understanding the underlying financial results and outlook of the Group. Gain and loss related to acquisition actions refer to amortization of acquisition-related intangible assets and M&A expenses, and temporary factors refer to one-off items, such as share-based payment expenses, impairment losses, and gains or losses on sales of fixed assets, which the Group believes shall be excluded for the purposes of preparing an outlook based on certain rules.

Adjustments from operating profit to Non-GAAP operating profit are as follows.

(Million yen)

	The previous six months (Six months ended March 31, 2023)	The current six months (Six months ended June 30, 2024)	Change of amount	Rate of change
Operating profit	2,373	1,742	-631	—
Adjustment (Amortization of acquisition-related intangible assets)	20	20	—	
Adjustment (Share-based payment expenses)	66	—	-66	
Adjustment (Others)	56	5	-51	
Non-GAAP operating profit	2,515	1,767	-748	—

Operating results by reportable segment are as follows.

(i) Digital Marketing Business

The Digital Marketing Business consists of business segments that provide comprehensive DX support, centered on digital marketing.

In the current six months, Marketing Communication Area was the driving force of the business.

As a result, revenue was ¥13,146 million, and Non-GAAP operating profit was ¥3,222 million.

(ii) Media Platform Business

The Media Platform Business consists of Employment Platform Business “ViViViT”, Platform Business of Social Contribution “gooddo”, Childcare Platform Business “TowaStela” etc.

In the current six months, the Company advanced efforts to create new profit opportunities with the aim of adapting to the post-COVID environment.

As a result, revenue was ¥933 million, and Non-GAAP operating loss was ¥20 million.

(Reference)

The following figures show the status of profit and loss and the rate of year-over-year change on a calendar year basis, assuming that the accounting period of the Group was the 12-month period from January to December for the previous fiscal year.

Revenue was ¥13,989 million (up 3.1% year on year), operating profit was ¥1,742 million (up 0.3% year on year), Non-GAAP operating profit was ¥1,767 million (down 2.8% year on year), and profit attributable to owners of parent was ¥4,005 million (up 176.5% year on year).

(2) Explanation of Earnings Forecasts and Other Forward-Looking Information

There is no change in the consolidated earnings forecasts for the fiscal year ending December 2024 from estimates revealed on February 8, 2024.

2. Consolidated Financial Statements for the Six Months and Key Notes

(1) Consolidated Statement of Financial Position for the Six Months

(Thousand yen)

	Fiscal year ended December 31, 2023 (As of December 31, 2023)	Six months ended June 30, 2024 (As of June 30, 2024)
<b>Assets</b>		
Current assets		
Cash and cash equivalents	20,873,416	26,786,264
Trade receivables	19,830,799	18,095,409
Inventories	72,849	62,267
Other financial assets	101,550	369,987
Other current assets	1,997,253	749,924
Subtotal	42,875,867	46,063,852
Assets held for sale	807,491	—
Total current assets	43,683,358	46,063,852
Non-current assets		
Property, plant, and equipment	257,486	267,585
Right-of-use assets	1,899,500	1,692,525
Goodwill	4,693,055	4,693,055
Intangible assets	432,366	607,841
Investments accounted for using equity method	34,249,351	35,135,215
Other financial assets	7,106,364	7,193,703
Other non-current assets	13,260	3,600
Deferred tax assets	1,271,250	1,140,845
Total non-current assets	49,922,632	50,734,368
Total assets	93,605,990	96,798,220

**Liabilities and Equity**

## Liabilities

## Current liabilities

Trade payables	19,031,397	18,742,375
Other financial liabilities	4,414,965	4,707,061
Income taxes payable	421,929	1,221,184
Other current liabilities	2,227,759	2,038,861
Subtotal	26,096,050	26,709,481
Liabilities directly associated with assets held for sale	236,525	—
Total current liabilities	26,332,575	26,709,481

## Non-current liabilities

Other financial liabilities	1,369,940	1,157,798
Provisions	152,549	162,120
Deferred tax liabilities	46,137	145,585
Total non-current liabilities	1,568,627	1,465,504

Total liabilities	27,901,201	28,174,984
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## Equity

## Equity attributable to owners of parent

Share capital	18,428,004	18,430,174
Capital surplus	25,426,993	25,424,005
Treasury shares	-1,396,624	-1,396,624
Retained earnings	23,185,222	26,113,500
Other components of equity	-49,731	-14,131

Total equity attributable to owners of parent	65,593,864	68,556,924
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Non-controlling interests	110,925	66,312
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Total equity	65,704,788	68,623,236
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Total liabilities and equity	93,605,990	96,798,220
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(2) Consolidated Statement of Profit or Loss for the Six Months and Consolidated Statement of Comprehensive Income for the Six Months

(Consolidated Statement of Profit or Loss for the Six Months)

(Thousand yen)

	Six months ended March 31, 2023 (From October 1, 2022 to March 31, 2023)	Six months ended June 30, 2024 (From January 1, 2024 to June 30, 2024)
Continuing operations		
Revenue	13,661,261	13,988,694
Cost of sales	2,601,821	2,701,101
Gross profit	11,059,440	11,287,593
Selling, general and administrative expenses	8,629,042	9,576,694
Other income	8,342	37,400
Other expenses	65,423	6,626
Operating profit	2,373,317	1,741,673
Finance income	1,614	18,320
Finance costs	107,268	48,600
Share of profit of investments accounted for using equity method	1,118,236	771,534
Profit before tax	3,385,899	2,482,928
Income tax expenses	952,213	702,126
Profit from continuing operations	2,433,685	1,780,802
Discontinued operations		
Profit (loss) from discontinued operations	-299,611	2,210,177
Profit	2,134,075	3,990,979
Profit (loss) attributable to:		
Owners of parent	2,155,643	4,005,277
Non-controlling interests	-21,568	-14,298
Total	2,134,075	3,990,979
Earnings per share		
Basic earnings (loss) per share (Yen)		
Continuing operations	11.56	8.60
Discontinued operations	-1.28	10.73
Total	10.28	19.32
Diluted earnings (loss) per share (Yen)		
Continuing operations	11.53	8.58
Discontinued operations	-1.27	10.71
Total	10.26	19.29



## (Consolidated Statement of Comprehensive Income for the Six Months)

(Thousand yen)

	Six months ended March 31, 2023 (From October 1, 2022 to March 31, 2023)	Six months ended June 30, 2024 (From January 1, 2024 to June 30, 2024)
Profit	2,134,075	3,990,979
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Net changes in financial assets measured at fair value through other comprehensive income	-24,492	-34,861
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	-47,853	70,460
Cash flow hedges	2,990	—
Total other comprehensive income, net of tax	-69,354	35,599
Total comprehensive income	<u>2,064,720</u>	<u>4,026,578</u>
Comprehensive income attributable to:		
Owners of parent	2,086,289	4,040,876
Non-controlling interests	-21,568	-14,298
Comprehensive income	<u>2,064,720</u>	<u>4,026,578</u>

## (3) Consolidated Statement of Changes in Equity for the Six Months

(Thousand yen)

	Equity attributable to owners of parent						Non-controlling interests	Total equity
	Share capital	Capital surplus	Treasury shares	Retained earnings	Other components of equity	Total		
Balance at October 1, 2022	18,428,004	25,309,728	-575,707	19,671,818	-128,588	62,705,254	48,815	62,754,069
Profit	—	—	—	2,155,643	—	2,155,643	-21,568	2,134,075
Other comprehensive income	—	—	—	—	-69,354	-69,354	—	-69,354
Total comprehensive income	—	—	—	2,155,643	-69,354	2,086,289	-21,568	2,064,720
Dividends of surplus	—	—	—	-962,966	—	-962,966	—	-962,966
Purchase of treasury shares	—	-2,506	-744,512	—	—	-747,018	—	-747,018
Disposal of treasury shares	—	-455,025	455,025	—	—	—	—	—
Changes without loss of control of subsidiaries	—	646,457	—	—	—	646,457	51,060	697,516
Other	—	61,503	—	—	—	61,503	-1,684	59,818
Total transactions with owners	—	250,428	-289,487	-962,966	—	-1,002,025	49,375	-952,649
Balance at March 31, 2023	18,428,004	25,560,156	-865,193	20,864,495	-197,943	63,789,518	76,622	63,866,141

(Thousand yen)

	Equity attributable to owners of parent						Non-controlling interests	Total equity
	Share capital	Capital surplus	Treasury shares	Retained earnings	Other components of equity	Total		
Balance at January 1, 2024	18,428,004	25,426,993	-1,396,624	23,185,222	-49,731	65,593,864	110,925	65,704,788
Profit	—	—	—	4,005,277	—	4,005,277	-14,298	3,990,979
Other comprehensive income	—	—	—	—	35,599	35,599	—	35,599
Total comprehensive income	—	—	—	4,005,277	35,599	4,040,876	-14,298	4,026,578
Issuance of new shares	2,170	—	—	—	—	2,170	—	2,170
Dividends of surplus	—	—	—	-1,076,999	—	-1,076,999	—	-1,076,999
Changes without loss of control of subsidiaries	—	-2,988	—	—	—	-2,988	9,730	6,743
Disposal of subsidiaries	—	—	—	—	—	—	-35,620	-35,620
Other	—	—	—	—	—	—	-4,426	-4,426
Total transactions with owners	2,170	-2,988	—	-1,076,999	—	-1,077,816	-30,315	-1,108,131
Balance at June 30, 2024	18,430,174	25,424,005	-1,396,624	26,113,500	-14,131	68,556,924	66,312	68,623,236

## (4) Consolidated Statement of Cash Flow for the Six Months

(Thousand yen)

	Six months ended March 31, 2023 (From October 1, 2022 to March 31, 2023)	Six months ended June 30, 2024 (From January 1, 2024 to June 30, 2024)
Cash flows from operating activities		
Profit before tax from continuing operations	3,385,899	2,482,928
Profit (loss) before tax from discontinued operations	-310,770	3,209,136
Adjustments:		
Depreciation and amortization	384,720	344,408
Interest and dividend income	-1,618	-1,954
Interest expenses	12,210	9,563
Share of loss (profit) of investments accounted for using equity method	-1,118,236	-771,534
Loss (profit) on valuation of securities	66,007	-16,370
Loss (profit) from loss of control of subsidiaries	—	-3,333,342
Other	76,915	189,645
Changes in working capital		
Decrease (increase) in trade receivables	-1,535,922	1,836,687
Decrease (increase) in inventories	-6,986	10,581
Increase (decrease) in trade payables	1,912,635	-290,543
Other	-433,847	-193,469
Subtotal	2,431,006	3,475,735
Interest received	1,618	1,081
Dividends received	—	1,179,672
Interest paid	-21,629	-15,866
Income taxes refund	64,843	1,466,241
Income taxes paid	-1,063,071	-672,777
Cash flows provided by (used in) operating activities	1,412,767	5,434,087
Cash flows from investing activities		
Purchase of securities	-327,744	-470,508
Purchase of property, plant, and equipment	-53,275	-20,705
Purchase of intangible assets	-4,065	-135,575
Proceeds from sale of shares of subsidiaries with loss of control (net of cash of disposed subsidiaries)	—	1,820,365
Purchases of investments accounted for using equity method	-932,830	—
Other	273,679	141,596
Cash flows provided by (used in) investing activities	-1,044,235	1,335,173

	(Thousand yen)	
	Six months ended March 31, 2023 (From October 1, 2022 to March 31, 2023)	Six months ended June 30, 2024 (From January 1, 2024 to June 30, 2024)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	3,000,000	—
Repayments of long-term borrowings	-2,000,350	—
Repayments of lease liabilities	-301,057	-279,479
Dividends paid	-962,966	-1,076,999
Proceeds from sales of treasury shares	221,993	—
Purchase of treasury shares	-747,018	—
Other	-33,181	3,168
Cash flows provided by (used in) financing activities	-822,579	-1,353,309
Effect of exchange rate changes on cash and cash equivalents	-47,853	70,460
Net increase (decrease) in cash and cash equivalents	-501,900	5,486,412
Net increase (decrease) in cash and cash equivalents from transfer to assets held for sale	—	426,437
Cash and cash equivalents at beginning of period	21,340,076	20,873,416
Cash and cash equivalents at end of period	20,838,176	26,786,264

(5) Notes on Consolidated Financial Statements for the Six Months

(i) Notes on Matters Related to Going Concern Assumption

No applicable items.

(ii) Information on Reportable Segments

1. Overview of reportable segments

The Group has a holding company structure where the Company is a holding company, and its subsidiaries (or their groups) are business units. Activities directly related to revenue generation are conducted solely by the business units.

The Group's reportable segments are based on business segments for which separate financial information is available and that the highest decision-maker examines on a regular basis to determine the distribution of management resources and evaluate the results. In consideration of similarities among the economic characteristics of each business segment and their quantitative importance and for the purpose of enabling the users of the financial statements to appropriately evaluate the Group's businesses and the economic circumstances, and their effects on the businesses, the Group discloses information on two reportable segments: the Digital Marketing Business and the Media Platform Business.

i. Digital Marketing Business

The Digital Marketing Business consists of businesses that provide comprehensive DX support, mainly in the marketing domain, such as marketing support through online-offline integration centered on the sales and operation of digital advertising, and the development and provision of solutions utilizing data and AI.

ii. Media Platform Business

The Media Platform Business consists of Employment Platform Business "ViViViT," Platform Business of Social Contribution "gooddo," Childcare Platform Business "TowaStela" etc.

This segment includes business units that have commenced operation in recent years and have not made a profit due to prior investment for revenue generation. The highest decision-maker makes decisions on the distribution of management resources to those business units and evaluates their results, assuming risks and economic values that allow the Group to recover the investment costs through future revenue generation.

On March 29, 2024, the Company sold a portion of shares of COMICSMART INC., and as a result, COMICSMART INC. and its subsidiaries, etc. were excluded from its consolidation and became equity-method affiliates. As the results of these operations are presented as discontinued operations for the six months ended March 31, 2023 and for the period from January 1, 2024 to the date of loss of control, the disclosure requirements of IFRS No. 8, "Business Segments" have not been applied.

2. Measurement of reportable segments' profit and loss

Segment profit uses Non-GAAP operating profit based on IFRS adjusted for gains and losses related to acquisition actions such as amortization of acquisition-related intangible assets and M&A expenses and temporary factors such as share-based payment expenses, impairment losses, and gains and losses on sales of fixed assets. Non-GAAP operating profit is a profit indicator of constant business performance determined by excluding gains and losses related to acquisition actions and temporary factors from the IFRS-based operating profit. Management believes that disclosing Non-GAAP measures facilitates comparison between the Group and industry peers and year-on-year comparisons by stakeholders and can provide useful information in understanding the underlying operating results and outlook of the Group. Gains and losses related to acquisition actions refer to amortization of acquisition-related intangible assets and M&A expenses, and unusual items refer to one-off items, such as share-based payment expenses, impairment losses, and gains and losses on sales of fixed assets, which the Group believes shall be excluded for the purposes of preparing an outlook based on certain rules.

The prices of inter-segment transactions are determined based on the prices of transactions with external customers.

### 3. Information on reportable segments' profit and loss

Six months ended March 31, 2023 (from October 1, 2022 to March 31, 2023)

(Thousand yen)

	Digital Marketing *2	Media Platform	Total	Adjustments *3	Consolidated
Segment revenue	12,895,666	861,275	13,756,940	-95,679	13,661,261
Segment profit (loss) *1	3,887,047	-49,566	3,837,481	-1,322,231	2,515,250

(Notes) 1. The segment profit is Non-GAAP operating profit.

2. The segment revenue and segment profit in the Digital Marketing Business include segment revenue and segment loss related to JNJ INTERACTIVE INC., which was transferred on November 30, 2023.

3. Adjustments include expenses related to the operation of the holding company and the elimination of the profit or loss transactions between reportable segments. Expenses related to the operation of the holding company consist of personnel expenses, etc.

Six months ended June 30, 2024 (from January 1, 2024 to June 30, 2024)

(Thousand yen)

	Digital Marketing	Media Platform	Total	Adjustments *2	Consolidated
Segment revenue	13,145,845	933,078	14,078,924	-90,229	13,988,694
Segment profit (loss) *1	3,222,017	-20,474	3,201,543	-1,434,089	1,767,453

(Notes) 1. The segment profit is Non-GAAP operating profit.

2. Adjustments include expenses related to the operation of the holding company and the elimination of the profit or loss transactions between reportable segments. Expenses related to the operation of the holding company consist of personnel expenses, etc.

Adjustments of segment profit (loss) and profit before tax

(Thousand yen)

	Six months ended March 31, 2023 (From October 1, 2022 to March 31, 2023)	Six months ended June 30, 2024 (From January 1, 2024 to June 30, 2024)
Segment profit (Non-GAAP operating profit)	2,515,250	1,767,453
Selling, general and administrative expenses		
Amortization of acquisition-related intangible assets	-20,409	-20,409
Share-based payment expenses	-65,899	—
Other profit (loss) (net)	-55,625	-5,371
Financial profit (loss) (net)	-105,654	-30,279
Share of profit of investments accounted for using equity method	1,118,236	771,534
Profit before tax	<u>3,385,899</u>	<u>2,482,928</u>

#### (iii) Subsequent Events

(Recognition of gain on change in equity)

With July 31 and August 5, 2024 as payment dates, the Company's equity-method affiliate, COMICSMART INC., conducted a capital increase through a third-party allotment to persons other than the Company Group as the underwriter. As a result, the Company reduced its voting rights ownership ratio from 32.57% to 25.86% and plans to record approximately ¥470 million (before tax) as gain on change in equity in the 3Q of the fiscal year ending December 31, 2024 as other income.