

Consolidated Financial Results for the Year Ended August 31, 2023

Name of Company	Demaecan Co., Ltd
Stock exchange	JASDAQ Standard of Tokyo Stock Exchange (Code 2484)
URL	https://corporate.demaecan.co.jp/en/
Representative	Hideo Fujii, President & CEO
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Scheduled ordinary general meeting of shareholders	November 28, 2023
Scheduled start of dividend payment	-
Scheduled release of fiscal year 8/2023 business report	November 29, 2023

- Notes: 1. The accompanying financial statements have been prepared in accordance with accounting principles and practices generally accepted in Japan.
2. Amounts are rounded down to the nearest million yen.

1. Consolidated financial highlights for the Year Ended August 31, 2023

(1) Operating results

Note: Percentages indicate changes from the same period of the previous fiscal year.

	Year ended			
	August 31, 2022	%		August 31, 2023
Net sales (Millions of yen)	47,314	63.4	51,416	8.7
Operating profit (Millions of yen)	(36,442)	-	(12,259)	-
Ordinary profit (Millions of yen)	(36,595)	-	(12,122)	-
Profit attributable to owners of parent (Millions of yen)	(36,218)	-	(12,154)	-
Profit per share (Yen):				
Basic	(284.24)		(92.25)	
Diluted	-		-	
Return on equity (%)	(119.2)		(25.2)	
Ordinary income to total assets (%)	(81.7)		(19.6)	
Operating income to net sales (%)	(77.0)		(23.8)	
Comprehensive income:	Year ended August 31, 2023: (12,156) million yen, - %			
	Year ended August 31, 2022: (36,244) million yen, - %			
Profit/loss on equity method:	Year ended August 31, 2023: 86 million yen			
	Year ended August 31, 2022: 89 million yen			

(2) Financial position

	As of	
	August 31, 2022	August 31, 2023
Total assets (Millions of yen)	69,190	54,746
Total net assets (Millions of yen)	54,225	42,340
Equity ratio (%)	78.4	77.3
Net assets per share (Yen)	411.78	320.16
Equity:	42,335 million yen (as of August 31, 2023)	
	54,215 million yen (as of August 31, 2022)	

(3) Cash flows

	Year ended	
	August 31, 2022	August 31, 2023
Cash flows from operating activities	(39,986)	(12,290)
Cash flows from investing activities	50	(64)
Cash flows from financing activities	83,001	(0)
Cash and cash equivalents at end of period	53,262	40,906

2. Dividends

	Year ended August 31, 2022	Year ended August 31, 2023
1Q-end dividends per share (Yen)	-	-
2Q-end dividends per share (Yen)	0.00	0.00
3Q-end dividends per share (Yen)	-	-
Year-end dividends per share (Yen)	0.00	0.00
Annual dividends per share (Yen)	0.00	0.00
Total dividends (Millions of yen)	-	-
Payout ratio (%)	-	-
Dividend on equity (%)	-	-

Note: No dividend will be paid for the fiscal year ending August 31, 2024 (forecast).

3. Financial forecasts for the fiscal year ending August 31, 2024

Note: Percentages indicate changes from the same period of the previous fiscal year.

	Year ending August 31, 2024	
		%
Sales (Billions of yen)	56.0	8.9
Operating profit (Billions of yen)	(8.0)	-

4. Notes

- (1) Important changes in subsidiaries (Changes on specific subsidiaries associated with changes in scope of consolidation): None
- (2) Changes in accounting policies, changes in accounting estimates and restatements
 1. Changes in accounting policies along with changes in accounting standards: None
 2. Other changes of accounting policies besides the number 1 above: None
 3. Changes in accounting estimates: None
 4. Restatements: None
- (3) Number of shares issued and outstanding (common share)
 1. Number of shares issued and outstanding (including treasury shares)

As of August 31, 2023:	132,421,230 shares
As of August 31, 2022:	131,755,230 shares
 2. Number of shares of treasury shares

As of August 31, 2023:	189,517 shares
As of August 31, 2022:	91,587 shares
 3. Average number of shares outstanding

As of August 31, 2023:	131,753,229 shares
As of August 31, 2022:	127,418,601 shares

(Reference) Overview of Non-consolidated Financial Results
Non-consolidated Results for the Year ended August 31, 2023

(1) Operating results

Note: Percentages indicate changes from the same period of the previous fiscal year.

	Year ended			
	August 31, 2022		August 31, 2023	
		%		%
Net sales (Millions of yen)	46,820	64.8	51,404	9.8
Operating profit (Millions of yen)	(36,509)	-	(12,166)	-
Ordinary profit (Millions of yen)	(36,749)	-	(11,581)	-
Profit attributable to owners of parent (Millions of yen)	(36,386)	-	(12,093)	-
Profit per share (Yen):				
Basic	(285.57)		(91.79)	
Diluted	-		-	

(2) Financial position

	As of	
	August 31, 2022	August 31, 2023
Total assets (Millions of yen)	68,888	54,522
Total net assets (Millions of yen)	54,078	42,254
Equity ratio (%)	78.5	77.5
Net assets per share (Yen)	410.66	319.51
Equity:	42,249 million yen (as of August 31, 2023)	
	54,069 million yen (as of August 31, 2022)	

* **These Consolidated Financial Results are not subject to audits by certified public accountants or audit corporations.**

* **Explanation of the appropriate use of financial forecast and other notes:**

- The financial forecasts and other forward-looking statements provided in these Consolidated Financial Results are based on information available at the time of report issuance and certain assumptions judged to be reasonable by the Company and are, therefore, not guarantees of future performance. Consequently, actual results may differ substantially from those described in these Consolidated Financial Results. Please refer to “1. Summary of Operating Results and Financial Position, (4) Future Forecast” on page 4 for further details.

- The Company plans to hold an earnings release conference for institutional investors and analysts on October 13, 2023 (Friday). Supplementary presentation materials to be handed out at the conference will be posted simultaneously on the Company's website.

1. Summary of Operating Results and Financial Position

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

During the fiscal year under review (September 1, 2022 to August 31, 2023), the Group sought to increase the satisfaction and retain users, riders, and merchants by making steady efforts to enhance the lineup of merchants in both the food and non-food areas, while enhancing the customer experience by improving the accuracy of the delivery time and the quality of customer service. Going forward, the Company will continue to offer services to be chosen by users, riders and merchants by focusing on the fundamental enhancement of service quality through the improvement of products, with an eye toward achieving its goal of making delivery part of everyday life.

On the cost side, the optimization of cost of sales progressed steadily. Advertising spendings were controlled focusing on cost effectiveness according to market trends.

Consequently, consolidated net sales for the fiscal year under review increased by 8.7% year on year, to 51,416 million yen, reflecting continued business expansion. However, aggressive business development and investment resulted in operating loss of 12,259 million yen (operating loss of 36,442 million yen in the previous fiscal year), accordingly, an ordinary loss of 12,122 million yen (ordinary loss of 36,595 million yen in the previous fiscal year), and a loss attributable to owners of parent of 12,154 million yen (loss attributable to owners of parent of 36,218 million yen in the previous fiscal year).

Effective from the first quarter of the fiscal year under review, the Group's reportable segments, which traditionally reflected two businesses, namely, the Demae-can business and the Mail Order business, are merged into a single Demae-can business segment. Segment information therefore is omitted.

(2) Summary of Financial Position in the Fiscal Year under Review

Current assets at the end of the fiscal year under review amounted to 54,292 million yen, a decrease of 14,571 million yen from the end of the previous fiscal year. This was mainly attributable to a decrease of 12,355 million yen in cash and deposits and a decrease of 917 million yen in accounts receivable-other.

Non-current assets at the end of the fiscal year under review amounted to 454 million yen, an increase of 127 million yen from the end of the previous fiscal year. Key factors contributing to this increase included an increase of 66 million yen in investment securities and 66 million yen in guarantee deposits.

As a result, total assets at the end of the fiscal year under review amounted to 54,746 million yen, a decrease of 14,443 million yen from the end of the previous fiscal year.

Current liabilities at the end of the fiscal year under review amounted to 12,307 million yen, a decrease of 2,607 million yen from the end of the previous fiscal year. This was caused primarily by a decrease of 2,988 million yen in accounts payable - other.

Non-current liabilities at the end of the fiscal year under review increased 48 million yen from the end of the previous fiscal year, to 98 million yen. This was mainly caused by an increase of 48 million yen in other.

As a result, total liabilities at the end of the fiscal year under review amounted to 12,406 million yen, a decrease of 2,558 million yen from the end of the previous fiscal year.

Net assets amounted to 42,340 million yen, a decrease of 11,885 million yen from the end of the previous fiscal year. Key factors contributing to this were a decrease of capital surplus due to the posting of 12,154 million yen as a loss attributable to owners of parent.

(3) Summary of Cash Flows in the Fiscal Year under Review

The balance of cash and cash equivalents ("cash") at the end of the fiscal year under review decreased 12,355 million yen from the end of the previous fiscal year to 40,906 million yen.

The status of each of the cash flow segments and contributing factors in the fiscal year under review is as follows:

(Cash flows from operating activities)

Net cash used in operating activities during the fiscal year under review was 12,290 million yen (a decrease of 39,986 million yen in the previous fiscal year). The change was mainly attributable to loss before income taxes of 12,115 million yen, a decrease in accounts receivable-other of 917 million yen, and a decrease in accounts payable-other of 2,990 million yen.

(Cash flows from investing activities)

Net cash provided by investing activities during the fiscal year under review was 64 million yen (an increase of 50 million yen in the previous fiscal year). Key contributing factors included payments for leasehold and guarantee deposits of 72 million yen and proceeds from collection of leasehold and guarantee deposits of 51 million yen.

(Cash flows from financing activities)

Net cash provided by financing activities during the fiscal year under review was 0 million yen (an increase of 83,001 million yen in the previous fiscal year).

(Reference) Changes in cash flows related indicators

	Year ended August 31, 2019	Year ended August 31, 2020	Year ended August 31, 2021	Year ended August 31, 2022	Year ended August 31, 2023
Equity Ratio (%)	39.8	80.3	32.2	78.4	77.3
Equity Ratio at market value (%)	855.2	536.6	628.1	113.4	97.3
Interest-bearing debt to cash ratio (times)	8.2	—	—	—	—
Interest coverage ratio (times)	41.8	—	—	—	—

* Equity ratio: Equity / Total assets

* Equity ratio at market value: Market capitalization / Total assets

* Interest-bearing debt to cash flow ratio: Interest-bearing debt / Cash flows from operating activities

* Interest coverage ratio: Cash flows from operating activities / Interest expenses

1. Market capitalization is calculated based on the following formula: Closing stock price at fiscal year-end x Number of shares outstanding at fiscal year-end after deduction of treasury share.

2. The cash flow amount represents net cash provided by (used in) operating activities.

3. The interest-bearing debts include all interest-bearing liabilities that are listed on the consolidated balance sheet.

The interest payment represents the amount of interest expenses paid presented on the cash flow statement.

(4) Future Forecast

As for the outlook for the fiscal year ending August 31, 2024, we will continue to push forward to make the delivery part of everyday life and expand the "Demaecan business". We will continue to invest in the renovation of our products and services to improve the delivery experience for all of our stakeholders—users, merchants, and riders—and also working to optimize expenses and improve profitability.

In consideration of these circumstances, the consolidated forecasts for the fiscal year ending August 31, 2024 are, GMV : 216.0 billion yen (105% of the previous year), Sales : 56.0 billion yen (109% of the previous year), and Operating income : (8.0) billion yen.

The above forecasts are based on currently available information, and actual results may differ significantly due to various uncertainties.

(5) Fundamental Policy for Distribution of Profits and Dividends for the Current and Next Fiscal Years

The Company considers that its basic policy is to increase its corporate value by strengthening its business base and enhancing management efficiency based on active business development and to provide its shareholders with a continuous and stable return of profit. It aims for a payout ratio of approximately 30% and stable dividend while maintaining active investment in the future businesses at the same time.

The Company's basic policy for dividends of surplus is one payment a year distributed at the end of each fiscal year. To facilitate a flexible profit return to shareholders according to the business results, the Company has specified in its articles of incorporation that the Company may distribute dividends of surplus as interim dividends to shareholders or registered pledgees of shares with the last day of February as the record date upon a resolution of the Board of Directors. The organizations that determine the payment of these dividends of surplus are the Board of Directors.

2. Basic Approach to the Selection of Accounting Standards

The Group's stakeholders consist largely of shareholders, creditors, business partners, and other parties based in Japan. For this reason, the Company has adopted the Japanese accounting standards for its financial statements.

3. Consolidated Financial Statements and Notes to Consolidated Financial Statement

(1) Consolidated Balance Sheets

	(Millions of yen)	
	As of August 31, 2022	As of August 31, 2023
Assets		
Current assets		
Cash and deposits	53,262	40,906
Notes and accounts receivable—trade	104	158
Merchandise and finished goods	17	—
Accounts receivable-other	13,332	12,414
Other	2,188	898
Allowance for doubtful accounts	(42)	(86)
Total current assets	68,863	54,292
Non-current assets		
Property, plant, and equipment		
Buildings and structures	5	3
Accumulated depreciation	(5)	(3)
Buildings and structures, net	—	—
Other	121	103
Accumulated depreciation	(121)	(103)
Other, net	—	—
Total property, plant and equipment	—	—
Investments and other assets		
Investment securities	254	320
Guarantee deposits	59	126
Deferred tax assets	12	7
Other	1	6
Allowance for doubtful accounts	(1)	(6)
Total investments and other assets	326	454
Total non-current assets	326	454
Total assets	69,190	54,746

(Millions of yen)

	As of August 31, 2022	As of August 31, 2023
Liabilities		
Current liabilities		
Accounts payable - other	14,615	11,626
Income taxes payable	97	21
Provision for bonuses	21	35
Other	180	624
Total current liabilities	14,915	12,307
Non-current liabilities		
Other	50	98
Total non-current liabilities	50	98
Total liabilities	14,965	12,406
Net assets		
Shareholders' equity		
Capital stock	100	100
Capital surplus	112,269	54,166
Retained earnings	(58,184)	(11,959)
Treasury shares	(3)	(3)
Total shareholders' equity	54,181	42,303
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	34	32
Total valuation and translation adjustments	34	32
share acquisition rights	9	4
Total net assets	54,225	42,340
Total liabilities and net assets	69,190	54,746

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

	Year ended August 31, 2022	Year ended August 31, 2023
Net sales	47,314	51,416
Cost of sales	49,224	40,909
Gross profit	(1,909)	10,507
Selling, general and administrative expenses	34,532	22,767
Operating profit	(36,442)	(12,259)
Non-operating income		
Interest income	0	0
Dividend income	1	1
Insurance claim income	14	4
Share of profit of entities accounted for using equity method	89	86
Subsidy income	137	23
Other	22	29
Total non-operating income	266	146
Non-operating expenses		
Interest expenses	0	—
Exchange loss	—	3
Stock issuance cost	397	3
Compensation for damage	7	0
Other	13	1
Total non-operating expenses	419	8
Ordinary profit	(36,595)	(12,122)
Extraordinary income		
Gain on sales of non-current assets	3	2
Gain on sales of business	129	—
Gain on reversal of share acquisition rights	589	6
Total extraordinary income	722	8
Extraordinary losses		
Loss on retirement of non-current assets	0	—
Impairment loss	29	—
Expense related to correction of prior period financial statements	181	—
Loss on change in equity	—	2
Total extraordinary losses	210	2
Profit before income taxes	(36,083)	(12,115)
Income taxes - current	107	21
Income taxes - deferred	26	17
Total income taxes	134	38
Profit	(36,218)	(12,154)
Profit attributable to owners of parent	(36,218)	(12,154)

Consolidated Statements of Comprehensive Income

	(Millions of yen)	
	Year ended August 31, 2022	Year ended August 31, 2023
Profit	(36,218)	(12,154)
Other comprehensive income		
Valuation difference on available-for-sale securities	(26)	(2)
Total other comprehensive income	(26)	(2)
Comprehensive income	(36,244)	(12,156)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(36,244)	(12,156)
Comprehensive income attributable to non-controlling interests	—	—

(3) Consolidated Statements of Changes in Equity

Year ended August 31, 2022

(Millions of yen)

	Shareholder's equity				
	Capital stock	Capital surplus	Retained earning	Treasury shares	Total shareholder's equity
Balance at beginning of current period	16,113	12,980	(21,966)	(633)	6,494
Changes of items during period					
Issuance of new shares	39,251	39,251			78,503
Transfer from capital to reserves or surplus	(55,265)	55,265			—
Net loss attributable to owners of the parent			(36,218)		(36,218)
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		4,772		629	5,401
Net changes of items other than shareholders' equity					—
Total changes of items during period	(16,013)	99,288	(36,218)	629	47,686
Balance at end of current period	100	112,269	(58,184)	(3)	54,181

	Other comprehensive income		share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Total other comprehensive income		
Balance at beginning of current period	60	60	320	6,875
Changes of items during period				
Issuance of new shares				78,503
Transfer from capital to reserves or surplus				—
Net loss attributable to owners of the parent				(36,218)
Purchase of treasury shares				(0)
Disposal of treasury shares				5,401
Net changes of items other than shareholders' equity	(26)	(26)	(310)	(337)
Total changes of items during period	(26)	(26)	(310)	47,349
Balance at end of current period	34	34	9	54,225

Year ended August 31, 2023

(Millions of yen)

	Shareholder's equity				
	Capital stock	Capital surplus	Retained earning	Treasury shares	Total shareholder's equity
Balance at beginning of current period	100	112,269	(58,184)	(3)	54,181
Changes of items during period					
Issuance of new shares	275				275
Transfer from capital to reserves or surplus	(275)	275			—
Deficit disposition		(58,378)	58,378		—
Profit (loss) attributable to owners of parent			(12,154)		(12,154)
Net changes of items other than shareholders' equity					—
Total changes of items during period	—	(58,102)	46,224	—	(11,878)
Balance at end of current period	100	54,166	(11,959)	(3)	42,303

	Other comprehensive income		share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Total other comprehensive income		
Balance at beginning of current period	34	34	9	54,225
Changes of items during period				
Issuance of new shares				275
Transfer from capital to reserves or surplus				—
Deficit disposition				—
Profit (loss) attributable to owners of parent				(12,154)
Net changes of items other than shareholders' equity	(2)	(2)	(4)	(7)
Total changes of items during period	(2)	(2)	(4)	(11,885)
Balance at end of current period	32	32	4	42,340

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Year ended August 31, 2022	Year ended August 31, 2023
Cash flows from operating activities		
Profit before income taxes	(36,083)	(12,115)
Depreciation	16	—
Share-based payment expenses	405	233
Impairment loss	29	—
Loss on retirement of non-current assets	0	—
Expense related to correction of prior period financial statements	181	—
Loss (gain) on sales of property, plant and equipment	(3)	(2)
Increase (decrease) in allowance for doubtful accounts	(53)	49
Increase (decrease) in provision for bonuses	(110)	13
Interest and dividend income	(2)	(2)
Stock issuance cost	397	3
Interest expenses	0	—
Loss (gain) on sale of businesses	(129)	—
Share of (profit) loss of entities accounted for using equity method	(89)	(86)
Subsidy income	(137)	(23)
Decrease (increase) in notes and accounts receivable - trade	193	(59)
Decrease (increase) in prepaid expenses	(577)	411
Decrease (increase) in consumption taxes refund receivable	(803)	1,061
Decrease (increase) in inventories	(14)	17
Increase (decrease) in notes and accounts payable – trade	(26)	—
Decrease (increase) in accounts receivable-other	(4,223)	917
Increase (decrease) in accounts payable-other	2,164	(2,990)
Other	(985)	364
Subtotal	(39,853)	(12,207)
Interest and dividend income received	12	16
Interest expenses paid	(0)	—
Income taxes paid	(128)	(125)
Income taxes refund	27	2
Subsidies received	137	23
Payments for expense related to correction of prior period financial statements	(181)	—
Net cash provided by (used in) operating activities	(39,986)	(12,290)
Cash flows from investing activities		
Purchase of property, plant and equipment	(6)	—
Purchase of intangible assets	(164)	—
Proceeds from sales of non-current assets	7	2
Proceeds from sales of businesses	238	—
Payments for asset retirement obligations	(25)	(45)
Payments for leasehold and guarantee deposits	(35)	(72)
Proceeds from collection of leasehold and guarantee deposits	35	51
Other	(0)	—
Net cash provided by (used in) investing activities	50	(64)

(Millions of yen)

	Year ended August 31, 2022	Year ended August 31, 2023
Cash flows from financing activities		
Proceeds from issuance of shares	77,616	—
Purchase of treasury shares	(0)	—
Proceeds from disposal of treasury shares	5,400	—
Cash dividends paid	(0)	—
Other	(16)	(0)
Net cash provided by (used in) financing activities	83,001	(0)
Effect of exchange rate change on cash and cash equivalents	—	—
Net increase (decrease) in cash and cash equivalents	43,065	(12,355)
Cash and cash equivalents at beginning of period	10,196	53,262
Cash and cash equivalents at end of period	53,262	40,906

(5) Notes to Consolidated Financial Statements

(Notes on the going concern assumption)

Not applicable.

(Segment information)

I. Year ended August 31, 2022 (from September 1, 2021 to August 31, 2022)

As indicated in "Matters concerning changes in the reportable segment"

II. Year ended August 31, 2023 (from September 1, 2022 to August 31, 2023)

Since the Group has only single business segment, the statement is omitted.

(Matters concerning changes in the reportable segment)

Effective from the first quarter of the fiscal year under review, the Group's reportable segments, which traditionally reflected two businesses, namely, the Demae-can business and the Mail Order business, are merged into single Demae-can business segment because Demae-can Communications Co., Ltd., which is a subsidiary, transferred the Mail Order business it had been conducting on June 30, 2022.

With the Group's reportable segments merged into a single business segment as a consequence of this change, segment information is omitted in conjunction with the results of the previous fiscal year and the fiscal year under review.

(Related information)

Year ended August 31, 2022 (from September 1, 2021 to August 31, 2022)

1) Information on each product and service

(Millions of yen)

	Demae-can business	Mail order business	Total
Demae-can service fees	44,446	—	44,446
Mail order business	—	493	493
Other transactions	2,374	—	2,374

*Since the mail order business was transferred on June 30, 2022, this is the cumulative amount for the 10-month period from September 1, 2021 to June 30, 2022.

2) Information on each geographic area

(a) Net sales

This information is omitted due to the amount of sales to external customers in Japan exceeding 90% of the sales on the consolidated income statement.

(b) Property, plant, and equipment

This information is omitted due to the total value of property, plant, and equipment located in Japan exceeding 90% of the value of property, plant, and equipment on the consolidated balance sheet.

3) Information on each key customer

This information is omitted due to the absence of external customers contributing to more than 10% of sales on the consolidated income statement.

Year ended August 31, 2023 (from September 1, 2022 to August 31, 2023)

1) Information on each product and service

(Millions of yen)

	Demaë-can business	Total
Demaë-can service fees	47,550	47,550
Other transactions	3,866	3,866

2) Information on each geographic area

(a) Net sales

This information is omitted due to the amount of sales to external customers in Japan exceeding 90% of the sales on the consolidated income statement.

(b) Property, plant, and equipment

This information is omitted due to the total value of property, plant, and equipment located in Japan exceeding 90% of the value of property, plant, and equipment on the consolidated balance sheet.

3) Information on each key customer

This information is omitted due to the absence of external customers contributing to more than 10% of sales on the consolidated income statement.

(Information on impairment loss on non-current assets in each reporting segment)

Year ended August 31, 2022

(Millions of yen)

	Demaë-can business	Mail order business	Eliminations or general corporate	Total
Impairment loss	29	—	—	29

Year ended August 31, 2023

Not applicable.

(Information on amortization and unamortized balance of goodwill in each reporting segment)

Year ended August 31, 2022

Not applicable.

Year ended August 31, 2023

Not applicable.

(Information on gain on bargain purchase in each reporting segment)

Year ended August 31, 2022

Not applicable.

Year ended August 31, 2023

Not applicable.

(Per share information)

	Year ended August 31,2022	Year ended August 31,2023
Net assets per share (Yen)	411.78	320.16
Profit per share (Yen)	(284.24)	(92.25)
Fully diluted profit per share (Yen)		

Note: 1. Regarding Fully diluted profit per share is omitted due to the number is equivalent to profit per share.
2. The basis of calculating the net assets per share is as follows.

(Millions of yen)

	Year ended August 31,2022	Year ended August 31,2023
Net Assets	54,225	42,340
Amount subtracted from the total amount of net assets included	9	4
Share acquisition rights	(9)	(4)
Net asset value concerning common shares at the end of the period	54,215	42,335
The number of common shares at the end of the period used to calculate net assets per share	131,663,643	132,231,713

3. The basis of calculating the profit (loss) per share and fully diluted profit per share is as follows.

(Millions of yen)

	Year ended August 31,2022	Year ended August 31,2023
Profit per share		
Profit attributable to owners of parent	(36,218)	(12,154)
Amount not attributable to common	—	—
Profit attributable to owners of parent related to common shares	(36,218)	(12,154)
Average number of shares outstanding of common share (Shares)	127,418,601	131,753,229
Fully diluted profit per share		
Adjustment of profit attributable to owners of parent	—	—
Increase in the number of common shares	—	—
share acquisition rights (shares)	(—)	(—)
Overview of dilutive shares not included in the calculation of the amount of fully diluted profit per share due to the absence of the dilutive	—	—

(Significant subsequent event)

None