

Consolidated Financial Results for the Fiscal Year Ended June 30, 2025 [Japanese GAAP]



August 13, 2025

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 Listing: Tokyo Stock Exchange
 Securities code: 4478
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Scheduled date of ordinary general meeting of shareholders: September 26, 2025
 Scheduled date to commence dividend payment: -
 Scheduled date to file annual securities report: September 25, 2025
 Preparation of supplementary materials on financial results: Yes
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Millions of yen with fractional amounts rounded down, unless otherwise noted)

1. Consolidated financial results for the fiscal year ended June 30, 2025 (from July 1, 2024 to June 30, 2025)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Adjusted operating profit		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen		Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended June 30, 2025	33,270	30.8	1,885	—	610	—	412	—	1,370	—
June 30, 2024	25,430	32.3	(7,562)	—	(8,386)	—	(8,638)	—	(10,150)	—

Notes: 1. Comprehensive income For the fiscal year ended June 30, 2025: ¥1,346 million (—%)
 For the fiscal year ended June 30, 2024: ¥(10,213) million (—%)

2. Adjusted operating profit is the sum of the operating profit, stock-based compensation expenses, expenses for amortization of acquisition-related intangible assets, and one-time cost.

	Basic earnings per share	Diluted earnings per share	Return on shareholders' equity	Ordinary profit to total assets	Operating profit to net sales
	Yen	Yen	%	%	%
Fiscal year ended June 30, 2025	23.28	23.10	7.6	0.9	1.8
June 30, 2024	(174.43)	—	(47.8)	(20.9)	(33.0)

Reference: Share of profit (loss) of entities accounted for using equity method Fiscal year ended June 30, 2025: ¥△1million
 Fiscal year ended June 30, 2024: ¥—million

Note: For the fiscal year ended June 30, 2024, diluted earnings per share is not stated because basic loss per share was recorded.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2025	52,595	19,663	37.1	329.82
June 30, 2024	39,953	16,952	42.0	286.47

Reference: Equity
 As of June 30, 2025: ¥19,512 million
 As of June 30, 2024: ¥16,774 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
June 30, 2025	3,661	(4,601)	4,977	35,789
June 30, 2024	(6,767)	(1,088)	3,705	31,750

2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
June 30, 2024	—	0.0	—	0.0	0.0	—	—	—
June 30, 2025	—	0.0	—	0.0	0.0	—	—	—
Fiscal year ending June 30, 2026 (Forecast)	—	0.0	—	0.0	0.0		—	

3. Consolidated earnings guidance for the fiscal year ending June 30, 2026 (from July 1, 2025 to June 30, 2026)

For the fiscal year ending June 30, 2026, we forecast net sales of 40,930 – 41,590 million yen (up 23.0% – 25.0% compared to net sales for Platform business(1) for the fiscal year ended June 30, 2025) backed by the expansion of customer base in the SaaS business, enhancement in customer value, etc,. Adjusted operating profit(2) is expected to be 2,460 – 2,500 million yen and adjusted free cash flow(3) is expected to be 1,230–2,500 million yen.

For details, please refer to "1. Overview of Operating Results, etc., (4) Explanation of Consolidated Earnings Guidance and Other Forward-looking Statements."

(Percentages indicate year-on-year changes.)

	Net sales		Adjusted operating profit		Adjusted free cash flow	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ending June 30, 2026	40,930 ~41,590	23.0 ~25.0	2,460 ~2,500	30.5 ~32.6	1,230 ~2,500	(11.0) ~80.9

Notes:1. Platform business: Business consisting of the integrated cloud ERP offering for small businesses and financial services, etc.

2. Adjusted operating profit is the sum of the operating profit, stock-based compensation expenses, expenses for amortization of acquisition-related intangible assets, and one-time cost.

3. Adjusted Free Cash Flow Definition: Starting with common free cash flow (cash flows from operating activities + cash flows from investing activities), we make two adjustments to better reflect our actual business performance: excluding fluctuations of advances paid incurred in the credit card business in operating cash flow and M&A-related payments and proceeds from investing cash flow.

*** Notes**

(1) Significant changes in scope of consolidation during the period (changes in specified subsidiaries resulting in the change in scope of consolidation) : None

(2) Changes in accounting policies, changes in accounting estimates, and retrospective restatement
a. Changes in accounting policies due to revisions to accounting standards and other regulations : None

b. Changes in accounting policies other than a. above : None

c. Changes in accounting estimates : None

d. Retrospective restatement : None

(3) Number of issued shares (Common stock)

a. Total number of issued shares at the end of the period (including treasury stock)

Fiscal year ended June 30, 2025	59,221,680 shares
Fiscal year ended June 30, 2024	58,600,020 shares

b. Number of treasury stock at the end of the period

Fiscal year ended June 30, 2025	62,551 shares
Fiscal year ended June 30, 2024	42,930 shares

c. Average number of outstanding shares during the period

Fiscal year ended June 30, 2025	58,861,705 shares
Fiscal year ended June 30, 2024	58,193,270 shares

(Reference) Overview of non-consolidated financial results**Non-consolidated financial results for the fiscal year ended June 30, 2025
(from July 1, 2024 to June 30, 2025)****(1) Non-consolidated operating results** (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended June 30, 2025	33,186	36.8	650	—	476	—	1,440	—
June 30, 2024	24,257	33.2	(8,378)	—	(8,156)	—	(10,427)	—

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Fiscal year ended June 30, 2025	24.48	24.29
June 30, 2024	(179.19)	—

Note: For the fiscal year ended June 30, 2024, diluted earnings per share is not stated because basic loss per share was recorded

(2) Non-Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2025	52,643	19,726	37.2	330.89
June 30, 2024	37,206	16,944	45.1	286.35

Reference: Equity

As of June 30, 2025: ¥19,575 million

As of June 30, 2024: ¥16,767 million

* Financial results reports are exempt from audit conducted by certified public accountants or audit firms.

* Proper use of earnings forecasts, and other special matters

Forward-looking statements, including the consolidated forecasts stated in these materials, are based on information currently available to the Company and certain assumptions deemed reasonable. The achievement of said forecasts cannot be promised. Results may differ materially from the consolidated forecasts due to various factors.

Table of Contents

1. Overview of Operating Results, etc.	2
(1) Explanation of Operating Results	2
(2) Explanation of Financial Position	4
(3) Explanation of Cash Flows	4
(4) Explanation of Consolidated Earnings Guidance and Other Forward-looking Statements	4
2. Basic Concept regarding Selections of Accounting Standards	5
3. Consolidated Financial Statements and Significant Notes Thereto	6
(1) Consolidated Balance Sheet	6
(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income	8
Consolidated Statement of Income	8
Consolidated Statement of Comprehensive Income	9
(3) Consolidated Statement of Changes in Equity	10
(4) Consolidated Statement of Cash Flows	12
(5) Notes to Consolidated Financial Statements	14
Notes on changes in presentation	14
Notes on going concern assumption	14
Notes on segment information	14
Notes on per share information	15
Notes on significant subsequent events	15

1. Overview of Operating Results, etc.

(1) Explanation of Operating Results

We estimate that the TAM (*1) for cloud accounting and HR software for small businesses (*2) is approximately 1.6 trillion yen (*3). At present, however, among SMBs with less than 1,000 employees and self-employed that use software of financial applications, the percentage of spending on cloud solutions is 48.4% (*4). We believe that cloud ERP market has a lot of potential to further expand. In line with our corporate mission "Empower Small Businesses to Take Center Stage," we develop and offer services aimed at realization of "Integrated Management Platform for Everyone to Manage Business Freely."

In the current fiscal year, our Group implemented development investments aimed at functional improvements, primarily for our main services "free Accounting" and "free HR," and promoted new customer acquisition through accounting firms and cross-selling to existing customer base. We also launched "free founding Loan Support," a consulting service for business loan support, and expanded our product lineup through M&A by acquiring cloud-based consolidated accounting software "YUI" and online reservation service "free Reservation." Furthermore, we achieved productivity improvements mainly through AI utilization in sales activities, leading to receiving the "AI Transformation Award" at Forbes JAPAN NEW SALES OF THE YEAR 2025.

As a result of initiatives including the above, as of the end of the fiscal year, for Platform business (*5), ARR (*6) increased by 31.8% year-over-year to 34,393 million yen, the number of paying customers (*7) by 13.9% to 606,533, and ARPU (*8) by 15.8% to 56,704 yen. Moreover, for the Platform business in the fiscal year ended June 30, 2025, net sales increased by 30.8% year-over-year to 33,270 million yen and adjusted operating profit (*9) was 1,885 million yen (adjusted operating loss of 7,562 million yen in the previous fiscal year).

As a result, for the consolidated fiscal year under review, net sales increased by 30.8% year-over-year to 33,270 million yen, adjusted operating profit was 1,885 million yen (adjusted operating loss of 7,562 million yen in the previous fiscal year, and the same applies hereafter), operating profit was 610 million yen (operating loss of 8,386 million yen), ordinary profit was 412 million yen (ordinary loss of 8,638 million yen). Profit attributable to owners of parent resulted in 1,370 million yen (loss attributable to owners of parent of 10,150 million yen in the previous fiscal year).

Trends in ARR, Number of Paying Customers and ARPU for Platform business

	Jun. 30, 2021	Jun. 30, 2022	Jun. 30, 2023	Jun. 30, 2024	Jun. 30, 2025
ARR (¥ million)	11,268	15,057	20,579	26,087	34,393
Number of paying customers	293,296	379,404	451,088	532,637	606,533
ARPU (¥)	38,419	39,686	45,622	48,977	56,704

Notes: 1. TAM: Total Addressable Market. This figure is our estimate of the maximum amount of revenue we could possibly generate and is not intended as an objective indicator of the size of the market for our businesses as of the date of disclosure of this material. Our estimate of the TAM for each products is based on the statistical data and publications from external sources as well as the status of our business initiatives, including product lineup expansion and price revisions. Actual market size may differ from this estimate due to the limitations peculiar to such statistical data and publications in terms of their accuracy.

2. Small Businesses refers to businesses with or less than 1,000 employees as well as self-employed individuals.

3. Total annual spending of all potential customers assuming that all potential customers in Japan adopted free Accounting and free HR. All potential customers are the total of self-employed and SMBs with less than 1,000 employees. (Number of businesses in each category among all potential customers of free Accounting and free HR (National Tax Agency "Tax Statistics 2023" and Ministry of Internal Affairs and Communications "2021 Economic Census for Business Activity") × Estimated annual charge of free Accounting and free HR for each category)

4. International Data Corporation(IDC), "Worldwide Software and Public Cloud Services Spending Guide_2025V2"

English Translation

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5. Platform business consists of the integrated cloud ERP offering for small businesses and financial services, etc. In the fiscal year ended June 30, 2022, it represented the Group's overall business, excluding the "Shikaku Square" business, sold in December 2021, provided by Site Visit Inc., then a consolidated subsidiary.
6. ARR: Annual Recurring Revenue. Monthly Recurring Revenue for last month of relevant period, multiplied by 12. Monthly Recurring Revenue is defined as the amount of fees contracted to be paid by customers on a monthly basis as of the end of a particular month (excludes one-time fees).
7. Refers to both self-employed and corporations that use our services.
8. ARPU: Average Revenue Per User. Annual Recurring Revenue as of the end of the relevant period divided by the number of paying customers as of the end of the same period.
9. Adjusted operating profit is the sum of the operating profit, stock-based compensation expenses, expenses for amortization of acquisition-related intangible assets, and one-time cost.

(2) Explanation of Financial Position

(Assets)

Total assets at the end of the period under review amounted to 52,595 million yen, an increase of 12,642 million yen from the end of the previous fiscal year. This was primarily due to increases in cash and deposits by 4,038 million yen, 2,547 million yen in software, and 1,693 million yen in advances paid.

(Liabilities)

Total liabilities at the end of the period under review came to 32,932 million yen, an increase of 9,931 million yen from the end of the previous fiscal year. This was mainly because of increases of 4,900 million yen in short-term borrowings and 3,308 million yen in unearned revenue.

(Net assets)

Total net assets at the end of the period under review were 19,663 million yen, an increase of 2,710 million yen from the end of the previous fiscal year. This was mainly due to 1,370 million yen in profit attributable to owners of parent and 1,273million yen in issuance of new shares.

(3) Explanation of Cash Flows

Cash and cash equivalent (hereinafter “cash ”) as of June 30, 2025 stood at 35,789 million yen. Net cash flows and factors associated therewith in the consolidated fiscal year are as stated below.

(Cash flows from operating activities)

Net cash provided in operating activities amounted to 3,661 million yen. This was mainly due to profit before income taxes of 416 million yen and increase in unearned revenue of 3,276 million yen.

(Cash flows from investing activities)

Net cash used in investing activities amounted to 4,601 million yen. This was mainly due to a payment for purchase of intangible assets of 3,832 million yen.

(Cash flows from financing activities)

Net cash provided by financing activities amounted to 4,977 million yen. This was mainly due to a net increase in short-term borrowings of 4,900 million yen and a proceeds from issuance of shares of 97 million yen.

(4) Explanation of Consolidated Earnings Guidance and Other Forward-looking Statements

Our SaaS business, which generates the highest proportion of our earnings, provides services to users in the subscription business model, in which earnings are built up through users’ continuous subscription of services over time. Meanwhile, this business model is characterized by prior investment in development and acquisition of customers, which generally entails an operating loss in the short term. Until the fiscal year ended June 30, 2024, our Group recorded operating loss due to prior investment in development and acquisition of customers. However, in the fiscal year ended June 30, 2025, we achieved profitability on an operating profit basis.

For the fiscal year ending June 30, 2026, we forecast net sales of 40,930 to 41,590 million yen (up 23.0% to 25.0% compared to net sales in the fiscal year ended June 30, 2025 for Platform business(*1), reflecting the expansion of customer base and enhancement in customer value in the SaaS business driven by the investment under the established revenue foundation. As for profit items, we will continue to implement strategic investments to drive mid-to-long term growth while pursuing operational efficiency. Based on these initiatives, adjusted operating profit (*2) for the fiscal year ending June 30, 2026 is expected to be 2,460 to 2,500 million yen (up 30.5% to 32.6% year-on-year) with an adjusted operating profit margin of 6.0%, and adjusted free cash flow (*3) of 1,230 to 2,500 million yen (a change of (11.0)% to 80.9% year-on-year) with an adjusted free cash flow margin of 3.0% to 6.0%.

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- Notes:
1. Platform business: Business consisting of the integrated cloud ERP offering for small businesses and financial services, etc.
 2. Adjusted operating profit is the sum of the operating profit, stock-based compensation expenses, expenses for amortization of acquisition-related intangible assets, and one-time cost.
 3. Adjusted Free Cash Flow Definition: Starting with common free cash flow (cash flows from operating activities + cash flows from investing activities), we make two adjustments to better reflect our actual business performance: excluding fluctuations of advances paid incurred in the credit card business in operating cash flow and M&A-related payments and proceeds from investing cash flow.

2. Basic Concept Regarding Selections of Accounting Standards

The Group applies Japanese generally accepted accounting principles considering the comparability of consolidated financial statements from period to period.

3. Consolidated Financial Statements and Significant Notes Thereto**(1) Consolidated Balance Sheet**

(Thousands of yen)

	As of June 30, 2024	As of June 30, 2025
Assets		
Current assets		
Cash and deposits	31,750,897	35,789,632
Accounts receivable - trade	2,679,108	3,619,898
Advances paid	2,288,431	3,982,166
Segregated deposits	478,670	957,968
Other	1,263,746	1,558,998
Allowance for doubtful accounts	(28,922)	(33,756)
Total current assets	38,431,931	45,874,908
Non-current assets		
Property, plant and equipment		
Facilities attached to buildings	12,187	18,685
Accumulated depreciation	(12,187)	(7,086)
Facilities attached to buildings, net	–	11,598
Tools, furniture and fixtures	122,258	87,542
Accumulated depreciation	(122,258)	(30,751)
Tools, furniture and fixtures, net	–	56,791
Total property, plant and equipment	–	68,390
Intangible assets		
Goodwill	–	590,517
Software	–	2,547,104
Software in progress	–	978,639
Total intangible assets	–	4,116,261
Investments and other assets		
Investment securities	361,758	424,016
Deferred tax assets	7,966	982,403
Lease and guarantee deposits	894,642	904,807
Other	307,573	322,502
Allowance for doubtful accounts	(50,799)	(97,606)
Total investments and other assets	1,521,141	2,536,123
Total non-current assets	1,521,141	6,720,774
Total assets	39,953,073	52,595,683

(Thousands of yen)

	As of June 30, 2024	As of June 30, 2025
Liabilities		
Current liabilities		
Short-term borrowings	4,700,000	9,600,000
Other payable	1,053,644	1,956,297
Accrued expenses	2,566,843	2,683,193
Income taxes payable	241,478	18,435
Unearned revenue	11,356,998	14,665,191
Provision for bonuses	315,737	588,950
Other	1,151,288	1,798,738
Total current liabilities	21,385,990	31,310,806
Non-current liabilities		
Asset retirement obligation	1,530,954	1,533,896
Long-term other payable	10,000	10,000
Other	73,782	77,697
Total non-current liabilities	1,614,737	1,621,593
Total liabilities	23,000,728	32,932,399
Net assets		
Shareholders' equity		
Common stock	26,348,152	27,043,623
Capital surplus	42,133,180	574,738
Retained earnings (Accumulated deficit)	(51,757,334)	(8,133,721)
Treasury stock	(324)	(650)
Total shareholders' equity	16,723,673	19,483,989
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	12,318	19,040
Deferred gains or losses on hedges	34,333	4,321
Foreign currency translation adjustment	4,661	4,706
Total accumulated other comprehensive income	51,312	28,069
Stock acquisition rights	177,358	151,224
Total net assets	16,952,345	19,663,283
Total liabilities and net assets	39,953,073	52,595,683

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

Consolidated Statement of Income

(Thousands of yen)

	Fiscal year ended June 30, 2024	Fiscal year ended June 30, 2025
Net sales	25,430,756	33,270,601
Cost of sales	4,439,025	5,909,557
Gross profit	20,991,730	27,361,043
Selling, general and administrative expenses	29,378,405	26,750,070
Operating profit (loss)	(8,386,675)	610,972
Non-operating income		
Interest income	770	17,320
Lecture fee and other income	650	1,449
Interest on refund of income taxes	55	—
Gain arisen from the expired liabilities	2,858	—
Other	4,072	9,503
Total non-operating income	8,407	28,273
Non-operating expenses		
Interest expenses	19,628	76,072
Foreign exchange losses	17,839	13,046
Loss on investments in investment partnerships	29,303	20,379
Commission expenses	97,366	55
Stock issuance costs	3,901	4,099
Loss on amortization of restricted stock remuneration	85,099	103,453
Share of loss of entities accounted for using equity method	—	1,170
Other	6,771	8,258
Total non-operating expenses	259,910	226,536
Ordinary profit (loss)	(8,638,178)	412,709
Extraordinary income		
Gain on sale of non-current assets	15,164	22,880
Gain on sale of investment securities	2,553	—
Gain on reversal of stock acquisition rights	19,026	9,515
Total extraordinary income	36,744	32,395
Extraordinary losses		
Impairment losses	1,472,903	—
Loss on valuation of investment securities	2,481	28,867
Total extraordinary losses	1,475,384	28,867
Profit (loss) before income taxes	(10,076,818)	416,237
Income taxes - current	37,373	29,289
Income taxes - deferred	11,240	(983,076)
Total income taxes	48,614	(953,787)
Profit (loss)	(10,125,432)	1,370,024
Profit attributable to non-controlling interests	25,238	—
Profit (loss) attributable to owners of parent	(10,150,671)	1,370,024

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Consolidated Statement of Comprehensive Income

(Thousands of yen)

	Fiscal year ended June 30, 2024	Fiscal year ended June 30, 2025
Profit (loss)	(10,125,432)	1,370,024
Other comprehensive income		
Valuation difference on available-for-sale securities	(93,067)	6,722
Deferred gains or losses on hedges	9,247	(30,011)
Foreign currency translation adjustment	(4,644)	45
Total other comprehensive income	(88,463)	(23,243)
Comprehensive income	(10,213,896)	1,346,781
Comprehensive income attributable to		
Owners of parent	(10,239,134)	1,346,781
Non-controlling interests	25,238	—

(3) Consolidated Statement of Changes in Equity

Fiscal year ended June 30, 2024

(Thousands of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings (Accumulated deficit)	Treasury stocks	Total shareholders' equity
Balance at beginning of period	25,640,623	41,555,929	(41,606,663)	(281)	25,589,608
Changes during period					
Issuance of new shares	520,200	520,200			1,040,400
Exercise of stock acquisition rights	76,529	76,529			153,059
Increase by share exchanges	110,799	(110,799)			—
Purchase of treasury stocks				(324)	(324)
Disposal of treasury stocks		2			2
Cancellation of treasury stocks		(281)		281	—
Changes in equity of parent from transaction of non controlling interest		91,598			91,598
Loss attributable to owners of parent			(10,150,671)		(10,150,671)
Net changes in items other than shareholders' equity					
Total changes during period	707,529	577,250	(10,150,671)	(42)	(8,865,934)
Balance at end of period	26,348,152	42,133,180	(51,757,334)	(324)	16,723,673

	Accumulated other comprehensive income				Stock acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of period	105,385	25,085	9,306	139,776	328,770	1,000,906	27,059,061
Changes during period							
Issuance of new shares							1,040,400
Exercise of stock acquisition rights							153,059
Increase by share exchanges							—
Purchase of treasury stocks							(324)
Disposal of treasury stocks							2
Cancellation of treasury stocks							—
Changes in equity of parent from transaction of non controlling interest							91,598
Loss attributable to owners of parent							(10,150,671)
Net changes in items other than shareholders' equity	(93,067)	9,247	(4,644)	(88,463)	(151,411)	(1,000,906)	(1,240,782)
Total changes during period	(93,067)	9,247	(4,644)	(88,463)	(151,411)	(1,000,906)	(10,106,716)
Balance at end of period	12,318	34,333	4,661	51,312	177,358	—	16,952,345

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Fiscal year ended June 30, 2025

(Thousands of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings (Accumulated deficit)	Treasury stocks	Total shareholders' equity
Balance at beginning of period	26,348,152	42,133,180	(51,757,334)	(324)	16,723,673
Changes during period					
Issuance of new shares	636,581	636,581			1,273,162
Exercise of stock acquisition rights	58,889	58,889			117,779
Deficit disposition		(42,253,912)	42,253,912		—
Purchase of treasury stocks				(650)	(650)
Cancellation of treasury stocks		(324)		324	—
Transfer from retained earnings to capital surplus		324	(324)		—
Profit attributable to owners of parent			1,370,024		1,370,024
Net changes in items other than shareholders' equity					
Total changes during period	695,470	(41,558,441)	43,623,612	(326)	2,760,316
Balance at end of period	27,043,623	574,738	(8,133,721)	(650)	19,483,989

	Accumulated other comprehensive income				Stock acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	12,318	34,333	4,661	51,312	177,358	16,952,345
Changes during period						
Issuance of new shares						1,273,162
Exercise of stock acquisition rights						117,779
Deficit disposition						—
Purchase of treasury stocks						(650)
Cancellation of treasury stocks						—
Transfer from retained earnings to capital surplus						—
Profit attributable to owners of parent						1,370,024
Net changes in items other than shareholders' equity	6,722	(30,011)	45	(23,243)	(26,134)	(49,377)
Total changes during period	6,722	(30,011)	45	(23,243)	(26,134)	2,710,938
Balance at end of period	19,040	4,321	4,706	28,069	151,224	19,663,283

(4) Consolidated Statement of Cash Flows

(Thousands of yen)

	Fiscal year ended June 30, 2024	Fiscal year ended June 30, 2025
Cash flows from operating activities		
Profit (loss) before income taxes	(10,076,818)	416,237
Depreciation	—	320,550
Amortization of goodwill	—	88,341
Impairment losses	1,472,903	—
Share-based payment expenses	737,137	972,889
Increase (decrease) in allowance for doubtful accounts	35,027	51,641
Increase (decrease) in provision for bonuses	76,089	273,212
Loss (gain) on valuation of investment securities	2,481	28,867
Loss (gain) on sale of investment securities	(2,553)	—
Loss (gain) on investments in investment partnerships	29,303	20,379
Loss (gain) on sale of property, plant and equipment	(15,164)	(22,880)
Interest and dividend income	(770)	(17,320)
Interest expenses	19,628	76,072
Stock issuance costs	3,901	4,099
Loss on amortization of restricted stock remuneration	85,099	103,453
Gain on reversal of stock acquisition rights	(19,026)	(9,515)
Decrease (increase) in trade receivables	(429,335)	(985,909)
Decrease (increase) in advances paid	(1,275,584)	(1,691,957)
Decrease (increase) in segregated deposits	(117,486)	(479,297)
Increase (decrease) in accounts payable - other	(646,673)	859,968
Increase (decrease) in accrued expenses	132,659	116,000
Increase (decrease) in unearned revenue	2,296,127	3,276,280
Other, net	962,409	352,711
Subtotal	(6,730,643)	3,753,825
Interest received	770	17,320
Interest paid	(19,628)	(76,072)
Income taxes paid	(18,069)	(33,093)
Net cash provided by (used in) operating activities	(6,767,571)	3,661,980

	(Thousands of yen)	
	Fiscal year ended June 30, 2024	Fiscal year ended June 30, 2025
Cash flows from investing activities		
Purchase of property, plant and equipment	(662,712)	(45,805)
Proceeds from sale of property, plant and equipment	15,164	22,880
Purchase of intangible assets	–	(3,832,520)
Payments for absorption-type split	(794,200)	–
Purchase of investment securities	(29,998)	(104,910)
Proceeds from sale of investment securities	32,386	–
Proceeds from withdrawal of time deposits	500,000	–
Payments of leasehold and guarantee deposits	(32,970)	(13,767)
Proceeds from refund of leasehold and guarantee deposits	13,964	510
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(130,828)	(628,997)
Other, net	1,179	1,390
Net cash provided by (used in) investing activities	(1,088,016)	(4,601,221)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	4,700,000	4,900,000
Repayments of long-term borrowings	–	(18,479)
Proceeds from issuance of shares	110,372	97,060
Purchase of treasury stocks	(324)	(650)
Repayments to non-controlling shareholders	(1,000,100)	–
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(25,071)	–
Other, net	(79,600)	–
Net cash provided by (used in) financing activities	3,705,277	4,977,930
Effect of exchange rate change on cash and cash equivalents	(4,644)	45
Net increase (decrease) in cash and cash equivalents	(4,154,955)	4,038,735
Cash and cash equivalents at beginning of period	35,905,852	31,750,897
Cash and cash equivalents at end of period	31,750,897	35,789,632

(5) Notes to Consolidated Financial Statements

(Notes on changes in presentation)

(Consolidated balance sheet)

"Segregated deposits," which was included in "Other" under "Current assets," and "Deferred tax assets," which was included in "Other" under "Investments and other assets" in the prior fiscal year, have been presented as separate accounts in the current fiscal year due to their increased financial materiality. To reflect this change in presentation, consolidated financial statements for the prior fiscal year have been reclassified.

As a result, 1,742,416 thousand yen presented as "Other" under "Current assets" in the consolidated balance sheet for the prior fiscal year has been reclassified into "Segregated deposits" of 478,670 thousand yen and "Other" of 1,263,746 thousand yen. Additionally, 315,539 thousand yen presented as "Other" under "Investments and other assets" has been reclassified into "Deferred tax assets" of 7,966 thousand yen and "Other" of 307,573 thousand yen.

(Consolidated statement of income)

"Interest income," which was included in "Other" under "Non-operating income" in the prior fiscal year, has been presented as a separate account in the current fiscal year due to its increased financial materiality. To reflect this change in presentation, consolidated financial statements for the prior fiscal year have been reclassified.

As a result, 4,842 thousand yen presented as "Other" under "Non-operating income" in the prior fiscal year has been reclassified into "Interest income" of 770 thousand yen, and "Other" of 4,072 thousand yen.

(Consolidated statement of cash flows)

"Interest and dividends received," "Interest expenses," and "Decrease (increase) in segregated deposits," which were included in "Other, net" under "Cash flows from operating activities" in the prior fiscal year, have been presented as separate accounts in the current fiscal year due to their increased financial materiality. To reflect this change in presentation, consolidated financial statements for the prior fiscal year have been reclassified.

As a result, 863,781 thousand yen presented as "Other, net" under "Cash flows from operating activities" in the consolidated statement of cash flows for the prior fiscal year has been reclassified into "Interest and dividends received" of (770) thousand yen, "Interest expenses" of 19,628 thousand yen, "Decrease (increase) in segregated deposits" of (117,486) thousand yen, and "Other, net" of 962,409 thousand yen.

(Notes on going concern assumption)

Not applicable.

(Notes on segment information)

<Segment information>

Fiscal year ended June 30, 2024 (from July 1, 2023 to June 30, 2024)

The group engages in a single segment, namely, the platform business; therefore, segment information is not presented.

Fiscal year ended June 30, 2025 (from July 1, 2024 to June 30, 2025)

The group engages in a single segment, namely, the platform business; therefore, segment information is not presented.

(Notes on per share information)

	Fiscal year ended June 30, 2024 (from July 1, 2023 to June 30, 2024)	Fiscal year ended June 30, 2025 (from July 1, 2024 to June 30, 2025)
Net assets per share	286.47	329.82
Basic earnings (loss) per share	(174.43)	23.28
Diluted earnings per share	—	23.10

Notes: 1. For the consolidated fiscal year, information on diluted earnings per share are omitted since the recorded figure was a net loss in spite of the existence of dilutive shares.

2. Basis for calculation of basic earnings (loss) per share and diluted earnings per share are as follows:

	Fiscal year ended June 30, 2024 (from July 1, 2023 to June 30, 2024)	Fiscal year ended June 30, 2025 (from July 1, 2024 to June 30, 2025)
Basic earnings (loss) per share		
Profit (loss) attributable to owners of parent (Thousands of yen)	(10,150,671)	1,370,024
Amounts not attributable to common shareholders (Thousands of yen)	—	—
Profit (loss) attributable to owners of parent related to common shares (Thousands of yen)	(10,150,671)	1,370,024
Average number of common shares outstanding during the period (Shares)	58,193,270	58,861,705
Diluted earnings per share		
Adjustments to profit attributable to owners of parent (Thousands of yen)	—	—
Increase in common shares	—	456,781
Overview of dilutive shares that are not included in the calculation of diluted earnings per share as they have no dilutive effects	691,926 shares of stock acquisition rights (11 types of stock acquisition rights)	35,420 shares of stock acquisition rights (1 type of stock acquisition rights)

(Notes on significant subsequent events)

Not applicable.