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September 11, 2025

Consolidated Financial Results for the Fiscal Year Ended July 31, 2025 (Under Japanese GAAP)

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 Listing: Tokyo Stock Exchange
 Securities code: 6535
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 Scheduled date of annual general meeting of shareholders: October 24, 2025
 Scheduled date to commence dividend payments: October 6, 2025
 Scheduled date to file annual securities report: October 23, 2025
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for analysts and institutional investors)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the fiscal year ended July 31, 2025 (from August 1, 2024 to July 31, 2025)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
July 31, 2025	21,528	14.9	4,133	16.5	4,069	17.6	2,957	22.2
July 31, 2024	18,735	14.1	3,549	0.7	3,459	0.7	2,420	0.7

Note: Comprehensive income For the fiscal year ended July 31, 2025: 2,950 million yen [20.8%]
 For the fiscal year ended July 31, 2024: 2,441 million yen [1.7%]

Fiscal year ended	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
July 31, 2025	51.40	51.36	18.7	15.7	19.2
July 31, 2024	42.13	41.99	16.4	15.0	18.9

Reference: Share of profit (loss) of entities accounted for using equity method

For the fiscal year ended July 31, 2025: —
 For the fiscal year ended July 31, 2024: —

Note: The Company conducted a stock split on November 1, 2023 with each common share split into three shares. “Basic earnings per share” and “Diluted earnings per share” are calculated on the assumption that the stock split was implemented at the beginning of the previous fiscal year.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
July 31, 2025	27,264	16,221	59.3	288.28
July 31, 2024	24,488	15,633	63.3	268.94

Reference: Equity

As of July 31, 2025: 16,157 million yen
 As of July 31, 2024: 15,496 million yen

(3) Consolidated cash flows

Fiscal year ended	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of the period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
July 31, 2025	4,816	(3,619)	(2,303)	17,496
July 31, 2024	3,793	(747)	(683)	18,602

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended July 31, 2024	—	0.00	—	22.00	22.00	1,267	52.2	8.6
Fiscal year ended July 31, 2025	—	0.00	—	26.00	26.00	1,457	50.6	9.3
Fiscal year ending July 31, 2026 (Forecast)	—	0.00	—	27.00	27.00		48.5	

3. Consolidated earnings forecast for the fiscal year ending July 31, 2026 (from August 1, 2025 to July 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
July 31, 2026	22,000	2.2	4,500	8.9	4,460	9.6	3,120	5.5	55.67

*** Notes**

(1) Significant changes in the scope of consolidation during the period: None

Newly included: 0 companies
Excluded: 0 companies

(2) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations : None
(ii) Changes in accounting policies other than (i) : None
(iii) Changes in accounting estimates : None
(iv) Restatement : None

(3) Number of issued shares (common shares)

(i) Number of issued shares at the end of the period (including treasury shares)

As of July 31, 2025	58,147,188 shares
As of July 31, 2024	58,147,188 shares

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

As of July 31, 2025	2,100,015 shares
As of July 31, 2024	526,800 shares

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

Fiscal year ended July 31, 2025	57,526,480 shares
Fiscal year ended July 31, 2024	57,455,955 shares

Note: The Company conducted a stock split on November 1, 2023 with each common share split into three shares.

“Average number of shares outstanding” is calculated on the assumption that the stock split was implemented at the beginning of the previous fiscal year.

Reference: Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended July 31, 2025 (from August 1, 2024 to July 31, 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 July 31, 2025	20,596	15.9	3,957	15.1	4,100	23.4	3,056	29.8
July 31, 2024	17,774	14.9	3,437	3.0	3,323	2.8	2,354	4.0
	Basic earnings per share		Diluted earnings per share					
Fiscal year ended	Yen		Yen					
July 31, 2025	53.13		53.08					
July 31, 2024	40.99		40.85					

Note: The Company conducted a stock split on November 1, 2023 with each common share split into three shares. “Basic earnings per share” and “Diluted earnings per share” are calculated on the assumption that the stock split was implemented at the beginning of the previous fiscal year.

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
July 31, 2025	26,065	15,088	57.6	268.06
July 31, 2024	23,129	14,401	61.7	247.56

Reference: Equity

As of July 31, 2025: 15,024 million yen
As of July 31, 2024: 14,264 million yen

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

* Proper use of earnings forecasts, and other special matters

The forward-looking statements, including business results forecasts, contained in this document are based on information currently available to the Company and certain assumptions deemed reasonable by the Company. Actual business results may differ considerably due to various factors.

The Company is to hold a financial results briefing session for institutional investors and analysts on Friday, September 12, 2025.

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1. Overview of Operating Results

(1) Operating Results for the Fiscal Year Ended July 31, 2025

During the fiscal year ended July 31, 2025 (August 1, 2024 to July 31, 2025), the Japanese economy gradually recovered, supported by improvements in employment and income conditions, and the effects of various policies. On the other hand, private consumption remained sluggish due to consumers' increasing frugality amid rising prices and inflationary pressures, and, coupled with growing concerns that higher interest rates could slow the economy, the outlook remains uncertain.

The i-mobile Group (the "Group") is composed of two business segments —Consumer Service and Online Advertising— operating under the Group vision "Creating a Business for the Future." In the market for the Hometown Tax Donation business, which is the mainstay business domain of the Consumer Services business, the hometown tax donation amount in fiscal 2024 reached 1,272.8 billion yen, approximately 1.1 times the previous year's amount, driven by increased familiarity with the system, strong economic conditions within Japan, and consumers' efforts to safeguard their livelihoods amid rising prices, thereby continuing the market's steady growth. The number of people eligible for the hometown tax donation credit (the number of people who actually made a hometown tax donation and were eligible for a residence tax credit) also increased by approximately 1.1 times year on year to 10.8 million people*¹, a record high. Hometown tax donations have become more widely accepted as a system in line with its initial purpose of realizing regional revitalization; however, while the system functions as intended, the usage rate of hometown tax donation*² was as low as 18.9%. This indicates that there is still significant room for market expansion, and the market is expected to continue growing steadily.

In the domestic online advertising market, which is the mainstay business domain of the Online Advertising business, online advertising expenditure in 2024 continued its steady growth with an increase of 9.6% year on year to 3,651.7 billion yen*³, and the market is expected to remain strong going forward, driven by search ad, social media ad and video ad. However, changes in people's behavior and consumer lifestyles worldwide have had a significant impact on the decline in advertising unit prices and our mainstay Ad Network business.

As an Internet marketing company in this business climate, the Group has worked to further enhance corporate value, leveraging the technology and marketing expertise from multiple angles cultivated in the original Online Advertising (Ad Network) business by developing new markets, and investing in growth business sectors.

With the Hometown Tax Donation business which has functions for solving social issues, such as regional industry promotion, we improved recognition of the Furunavi brand and ran promotion activities to increase the number of members and local governments under contract, and have enhanced unique products for experience-based gifts in return such as dining and lodging gift certificates, working with local governments. Additionally, we are promoting the agency service for hometown tax donation*⁴ to strengthen collaboration with municipalities. Furthermore, we launched "Furunavi Travel Reservation," a service that enables seamless booking and payment for travel using hometown donations. This is made possible by our proprietary system*⁵, which integrates the hometown donation process with accommodation reservations, thereby demonstrating our commitment to further enhancing customer convenience. On the other hand, the Ad Network Business, which continues to face a challenging business environment, is working to strengthen its revenue base by restructuring its business and shifting resources to the Influencer Marketing business and the App Operation business, which are growth markets. Furthermore, green energy business that realizes regional revitalization by solving social issues, a total of 22 solar sharing power plants (agrivoltaics and ground-mounted type*⁶) were in operation at the end of the current fiscal year. In addition, the subsidiary "Furunavi Energy, Inc.,"*⁷ which handles the retail electricity business, established on April 1, 2025. Through the supply of electricity to high-voltage power consumers and collaboration with municipalities, we will provide services aimed at realizing a stable power supply and a sustainable society.

As a result of these efforts, for the fiscal year ended July 31, 2025, the Group recorded net sales of 21,528 million yen, up 14.9% year on year, operating profit of 4,133 million yen, up 16.5% year on year, ordinary profit of 4,069 million yen, up 17.6% year on year, and profit attributable to owners of parent of 2,957 million yen, up 22.2% year on year.

Business performance by segment was as follows.

Net sales for each segment include inter-segment sales and transfers.

The details are described in "3. Consolidated Financial Statements and Notes, (5) Notes to Consolidated Financial Statements (Segment Information and Other Data)."

(Consumer Service Segment)

In the Consumer Service segment, the Company operates the Hometown Tax Donation business "Furunavi," as well as the

Furunavi Travel business, Restaurant PR business, and Loyalty Points Service business as peripheral businesses. In the Hometown Tax Donation business “Furunavi,” our main business, with the continued stable growth of the hometown tax donation market, we have actively implemented continued promotions and customer engagement initiatives through the “Furunavi App,” which has exceeded 720,000 cumulative downloads. As a result, the amount of donations received, the number of donations, and memberships have all steadily increased year on year. Through these efforts, we aim to achieve the 20% market share target that will allow us to maintain our competitive advantage. In addition, in our peripheral business Furunavi Travel, we have steadily increased the number of contracted facilities such as accommodations and restaurants. Enhancing the customer experience has helped promote continued use, which has in turn led to more repeat users and the attraction of new customers.

As a result, net sales in the Consumer Service Segment for the fiscal year ended July 31, 2025 was 19,059 million yen, up 19.5% year on year, and segment profit was 4,021 million yen, up 16.7% year on year.

(Online Advertising Segment)

In the Online Advertising segment, the Group develops the Ad Network business, the Influencer Marketing business, the Media Solution business, the Ad Agency business (Cyber Consultant, Inc.), and App Operation business (Ohte, Inc., etc.). In the App Operation business, the Company is diversifying its revenue models and expanding customer bases and markets by promoting collaborations with other companies in the *poikatsu*^{*8} market and by developing overseas markets, thereby contributing to revenue. In the Media Solution business, the Company is strengthening functions by, for example, implementing additional functions to Smart Tag^{*9}, which supports reducing publishers’ workload and maximization of customer revenue. On the other hand, the decrease in advertising budgets of our major customers and others in the Ad Network business continued to impact our earnings, resulting in year-on-year declines in both net sales and segment profit.

As a result, net sales in the Online Advertising Segment for the fiscal year ended July 31, 2025 was 2,411 million yen, down 12.5% year on year, and segment profit was 153 million yen, down 53.8% year on year.

*1 Source: Results of Survey on Current Status of Hometown Tax Donations, Municipal Tax Planning Division, Local Tax Bureau, Ministry of Internal Affairs and Communications of Japan, July 31, 2025

In addition, the results including the hometown tax donation amount were calculated based on the municipal fiscal year (from April 1 to March 31 of the following year), which differs from the calculation period of residence tax.

*2 The usage rate of hometown tax donation is calculated by the Company with reference to “Actual Results of Residence Tax Deduction for Taxation in Each Fiscal Year” and “Survey of Municipal Taxation Status in Each Fiscal Year,” both published by the Ministry of Internal Affairs and Communications.

*3 Source: 2024 Advertising Expenditures in Japan, Dentsu Inc., February 27, 2025

*4 Acting as an agent for complex operations of hometown tax donations, such as posting on portal sites, delivery management, and response to businesses and donors.

*5 Business model patent “Patent number 7624263” in the Furunavi Travel Reservation business

*6 Method of selling electricity by installing solar power generation facilities directly on land

*7 The retail electricity business was launched on June 1, 2025

*8 It is an abbreviation for “point-saving activity,” a generic term for accumulating points and using accumulated points.

*9 A product that provides multiple functions, such as ad space optimization and policy violation detection, in one package with a single tag.

(2) Financial Position for the Fiscal Year Ended July 31, 2025

Total assets for the fiscal year ended July 31, 2025 were 27,264 million yen (up 2,776 million yen from the end of the previous fiscal year). This increase was mainly due to an increase of 1,893 million yen in cash and deposits.

Total liabilities were 11,043 million yen (up 2,188 million yen from the end of the previous fiscal year). This increase was mainly attributed to increases in deposits received of 1,871 million yen, and in provision for sales promotions expenses of 395 million yen.

Net assets were 16,221 million yen (up 587 million yen from the end of the previous fiscal year). This increase was mainly attributed to an increase of profit attributable to owners of parent of 2,957 million yen, despite a decline due to dividends from surplus of 1,267 million yen and the acquisition of treasury shares amounting to 1,124 million yen.

(3) Cash Flows for the Fiscal Year Ended July 31, 2025

The balance of cash and cash equivalents (hereinafter referred to as “funds”) for the fiscal year ended July 31, 2025 totaled 17,496 million yen, a decrease of 1,106 million yen from the end of the previous fiscal year.

Each cash flow status and their factors during the fiscal year ended July 31, 2025 were as follows.

(Cash flows from operating activities)

In the fiscal year ended July 31, 2025, funds acquired as a result of operating activities amounted to 4,816 million yen compared to 3,793 million yen in the previous fiscal year. This was mainly attributed to profit before income taxes of 4,124 million yen, and increases in deposits received of 1,868 million yen and in provision for sales promotion expenses of 395 million yen, despite income taxes paid of 1,045 million yen and an increase in accounts receivable - trade of 754 million yen.

(Cash flows from investing activities)

Funds used in investing activities in the fiscal year ended July 31, 2025 totaled 3,619 million yen compared to 747 million yen in the previous fiscal year. This was mainly attributed to expenditures of 3,000 million yen for an increase in time deposits, purchase of property, plant and equipment of 709 million yen and purchase of intangible assets of 209 million yen, despite proceeds from the sales of investment securities of 341 million yen.

(Cash flows from financing activities)

Funds used in financing activities in the fiscal year ended July 31, 2025 totaled 2,303 million yen compared to expenditures of 683 million yen in the previous fiscal year. This was mainly due to expenses for the purchase of treasury shares amounting to 1,124 million yen and dividend payments totaling 1,268 million yen.

(4) Future Outlook

As for performance in the fiscal year ending July 31, 2026, the Group forecasts net sales of 22,000 million yen, up 2.2% year on year, operating profit of 4,500 million yen, up 8.9%, ordinary profit of 4,460 million yen, up 9.6%, and profit attributable to owners of parent of 3,120 million yen, up 5.5%. For details, please refer to the financial results briefing materials for the fiscal year ended July 31, 2025 which are disclosed at the same time as these financial results.

(5) Basic Policy on Distribution of Profit and Dividends for the Fiscal Years Ended July 31, 2025 and Ending July 31, 2026

(Basic Policy)

While preserving the resources required to maintain our business foundation and achieve sustainable growth, the Company will provide shareholder returns agilely, in addition to considering relevant factors, including our business performance, financial conditions, and internal reserves. More specifically, for the four fiscal years from FY07/24 through FY07/27, we will implement shareholder returns through a total return, consisting of dividends with a target payout ratio of approximately 50%, together with flexible repurchases of treasury shares in line with the share price level and market conditions.

The Company pays dividends of surplus once a year as a year-end dividend. However, in accordance with Article 459, Paragraph 1 of the Companies Act, the Company has a provision in its Articles of Incorporation that dividends from surplus shall be determined by a resolution of the Board of Directors, with July 31 as the record date of the year-end dividend and January 31 as the record date of the interim dividend.

(Dividends for the fiscal year ended July 31, 2025)

Concerning dividends of surplus for the fiscal year ended July 31, 2025, the Company resolved to distribute dividends of 26 yen per share, with the record date dated July 31, 2025, at the meeting of the Board of Directors held on September 11, 2025. As a result, the annual dividend for the fiscal year ended July 31, 2025 is 26 yen per share.

(Dividends for the fiscal year ending July 31, 2026)

The dividend of surplus for the fiscal year ending July 31, 2026 is expected to be 27 yen per share. In addition, the Company will consider the flexible purchase of treasury shares in a suitable and appropriate manner, considering share price level and market environment.

(Purchase of treasury shares during the period)

As mentioned in the "Notice Regarding Status and Completion of Acquisition of Treasury Shares" published on June 24, 2025, the Company has completed the acquisition of treasury shares, with the aim of further enhancing capital efficiency and increasing shareholder value. This was based on the resolution of its Board of Directors meeting held on June 11, 2025, which authorized the acquisition of up to 1,800,000 shares for up to 1,200,000,000 yen, from June 12 to June 23, 2025.

2. Basic Approach to Selection of Accounting Standards

The Group applies Japan accounting standards to ensure comparability with other companies in the same industry in Japan.

3. Consolidated Financial Statements and Notes

(1) Consolidated Balance Sheet

(Unit: Millions of yen)

	As of July 31, 2024	As of July 31, 2025
Assets		
Current assets		
Cash and deposits	18,602	20,496
Accounts receivable – trade	1,626	2,380
Prepaid expenses	830	769
Other	324	191
Allowance for doubtful accounts	(0)	(1)
Total current assets	21,383	23,835
Non-current assets		
Property, plant and equipment		
Buildings, net	413	364
Tools, furniture and fixtures, net	160	125
Other, net	474	595
Total property, plant and equipment	1,048	1,084
Intangible assets		
Software	199	331
Goodwill	5	—
Other	73	48
Total intangible assets	279	380
Investments and other assets		
Investment securities	477	462
Deferred tax assets	939	1,139
Other	359	361
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	1,777	1,963
Total non-current assets	3,104	3,428
Total assets	24,488	27,264

(Unit: Millions of yen)

	As of July 31, 2024	As of July 31, 2025
Liabilities		
Current liabilities		
Accounts payable – trade	713	508
Accounts payable – other	1,353	1,155
Income taxes payable	476	807
Deposits received	2,897	4,769
Provision for bonuses	84	92
Provision for sales promotion expenses	2,548	2,944
Provision for point card certificates	1	7
Other	654	626
Total current liabilities	8,730	10,912
Non-current liabilities		
Asset retirement obligations	124	131
Other	0	—
Total non-current liabilities	125	131
Total liabilities	8,855	11,043
Net assets		
Shareholders' equity		
Share capital	152	152
Capital surplus	73	73
Retained earnings	15,446	17,134
Treasury shares	(227)	(1,248)
Total shareholders' equity	15,445	16,112
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	51	44
Total accumulated other comprehensive income	51	44
Share acquisition rights	136	64
Total net assets	15,633	16,221
Total liabilities and net assets	24,488	27,264

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

Consolidated Statement of Income

(Unit: Millions of yen)

	Year ended July 31, 2024	Year ended July 31, 2025
Net sales	18,735	21,528
Cost of sales	32	28
Gross profit	18,702	21,500
Selling, general and administrative expenses	15,153	17,367
Operating profit	3,549	4,133
Non-operating income		
Interest income	0	17
Dividend income	0	0
Foreign exchange gains	22	—
Other	3	2
Total non-operating income	25	19
Non-operating expenses		
Loss on valuation of investment securities	46	4
Donations	67	69
Other	0	9
Total non-operating expenses	115	83
Ordinary profit	3,459	4,069
Extraordinary income		
Gain on sale of investment securities	39	239
Gain on national subsidies	4	10
Other	—	1
Total extraordinary income	44	252
Extraordinary losses		
Impairment losses	—	148
Head office relocation expenses	53	37
Other	4	10
Total extraordinary losses	58	197
Profit before income taxes	3,446	4,124
Income taxes – current	1,176	1,365
Income taxes – deferred	(150)	(197)
Total income taxes	1,025	1,167
Profit	2,420	2,957
Profit attributable to owners of parent	2,420	2,957

Consolidated Statement of Comprehensive Income

(Unit: Millions of yen)

	Year ended July 31, 2024	Year ended July 31, 2025
Profit	2,420	2,957
Other comprehensive income		
Valuation difference on available-for-sale securities	21	(6)
Total other comprehensive income	21	(6)
Comprehensive income	2,441	2,950
(Details)		
Comprehensive income attributable to owners of parent	2,441	2,950

(3) Consolidated Statement of Changes in Equity

Year ended July 31, 2024 (August 1, 2023 to July 31, 2024)

(Unit: Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	152	102	15,071	(1,387)	13,938
Changes during period					
Dividends of surplus			(772)		(772)
Profit attributable to owners of parent			2,420		2,420
Purchase of treasury shares				(213)	(213)
Disposal of treasury shares		(53)		95	41
Cancellation of treasury shares		(1,278)		1,278	—
Restricted share-based remuneration		29			29
Transfer from retained earnings to capital surplus		1,273	(1,273)		—
Net changes in items other than shareholders' equity					
Total changes during period	—	(28)	374	1,160	1,506
Balance at end of period	152	73	15,446	(227)	15,445

	Accumulated other comprehensive income		Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income		
Balance at beginning of period	30	30	110	14,079
Changes during period				
Dividends of surplus				(772)
Profit attributable to owners of parent				2,420
Purchase of treasury shares				(213)
Disposal of treasury shares				41
Cancellation of treasury shares				—
Restricted share-based remuneration				29
Transfer from retained earnings to capital surplus				—
Net changes in items other than shareholders' equity	21	21	25	47
Total changes during period	21	21	25	1,553
Balance at end of period	51	51	136	15,633

Year ended July 31, 2025 (August 1, 2024 to July 31, 2025)

(Unit: Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	152	73	15,446	(227)	15,445
Changes during period					
Dividends of surplus			(1,267)		(1,267)
Profit attributable to owners of parent			2,957		2,957
Purchase of treasury shares				(1,124)	(1,124)
Disposal of treasury shares		(8)		102	94
Restricted share-based remuneration		7			7
Transfer from retained earnings to capital surplus		0	(0)		—
Net changes in items other than shareholders' equity					
Total changes during period	—	—	1,688	(1,021)	667
Balance at end of period	152	73	17,134	(1,248)	16,112

	Accumulated other comprehensive income		Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income		
Balance at beginning of period	51	51	136	15,633
Changes during period				
Dividends of surplus				(1,267)
Profit attributable to owners of parent				2,957
Purchase of treasury shares				(1,124)
Disposal of treasury shares				94
Restricted share-based remuneration				7
Transfer from retained earnings to capital surplus				—
Net changes in items other than shareholders' equity	(6)	(6)	(72)	(79)
Total changes during period	(6)	(6)	(72)	587
Balance at end of period	44	44	64	16,221

(4) Consolidated Statements of Cash Flows

(Unit: Millions of yen)

	Year ended July 31, 2024	Year ended July 31, 2025
Cash flows from operating activities		
Profit before income taxes	3,446	4,124
Depreciation	180	225
Impairment losses	—	148
Amortization of goodwill	69	5
Share-based payment expenses	68	(54)
Increase (decrease) in allowance for doubtful accounts	(3)	0
Increase (decrease) in provision for bonuses	11	8
Increase (decrease) in provision for sales promotion expenses	465	395
Increase (decrease) in provision for point card certificates	(0)	5
Loss (gain) on valuation of investment securities	46	4
Loss (gain) on sale of investment securities	(39)	(239)
Interest and dividend income	(0)	(17)
Decrease (increase) in trade receivables	(153)	(754)
Increase (decrease) in trade payables	(99)	(204)
Decrease (increase) in prepaid expenses	699	58
Increase (decrease) in deposits received	547	1,868
Other	141	263
Subtotal	5,379	5,838
Interest and dividends received	0	12
Income taxes refund (paid)	(1,589)	(1,045)
Other	2	10
Net cash provided by (used in) operating activities	3,793	4,816
Cash flows from investing activities		
Net decrease (increase) in time deposits	—	(3,000)
Purchase of property, plant and equipment	(311)	(709)
Purchase of intangible assets	(149)	(209)
Purchase of investment securities	48	341
Payments of leasehold and guarantee deposits	(336)	—
Other	1	(41)
Net cash provided by (used in) investing activities	(747)	(3,619)
Cash flows from financing activities		
Payments for money held in trust for purchase of treasury shares	46	—
Purchase of treasury shares	—	(1,124)
Exercise of share acquisition rights	41	89
Dividends paid	(771)	(1,268)
Net cash provided by (used in) financing activities	(683)	(2,303)
Effect of exchange rate change on cash and cash equivalents	21	(0)
Net increase (decrease) in cash and cash equivalents	2,384	(1,106)
Cash and cash equivalents at the beginning of the year	16,218	18,602
Cash and cash equivalents at the end of the year	18,602	17,496

(5) Notes to Consolidated Financial Statements

(Notes on Going Concern Assumption)

Not applicable.

(Segment Information and Other Data)

(Segment Information)

1. Reportable segments

(1) Method of determining reportable segments

The Company's reportable segments are those of the Group for which separate financial information is available and which are subject to periodic review by the Board of Directors in order to determine the allocation of management resources and evaluate business performance. The Company is composed of segments classified by business type, with the Consumer Service business and Online Advertising business being the reportable segments for the purpose of further clarifying the main business areas.

(2) Products and services belonging to each reportable segment

The Consumer Service segment includes the Hometown Tax Donation business, the Furunavi Travel business, the Restaurant PR business, and the Loyalty Points Service business.

The Online Advertising segment includes the Ad Network business, the Influencer Marketing business, the Media Solution business, the Ad Agency business, and the App Operation business.

2. Calculation method for net sales, profit or loss, assets or liabilities, and other items for each reportable segment

The accounting method for the reported business segments complies with the accounting policies adopted for the preparation of the consolidated financial statements.

Profit for reportable segments is based on operating profit. Intersegment profit and transfers are based on prevailing market prices.

3. Information on net sales, amounts of profit or loss, and other items by reportable segment

Year ended July 31, 2024 (August 1, 2023 to July 31, 2024)

(Unit: Millions of yen)

	Reportable segment			Adjustments (Note 1,2,3)	Amount recorded on consolidated financial statements (Note 4)
	Consumer Service	Online Advertising	Total		
Net sales					
Goods to be transferred at a point in time	16	1	17	14	31
Goods to be transferred over a certain period	15,934	2,748	18,683	19	18,703
Net sales to external customers	15,950	2,750	18,700	34	18,735
Intersegment sales or transfers	—	5	5	(5)	—
Total	15,950	2,756	18,706	28	18,735
Segment profit	3,446	333	3,779	(230)	3,549
Other items					
Depreciation	46	76	123	57	180

Notes: 1. The adjustment of 34 million yen for net sales to external customers also correspond to net sales that do not belong to the reportable segments.

2. Adjustments to segment profit of (230) million yen are entirely attributable to net sales that do not belong to reportable segments and corporate expenses not allocated to reportable segments. Corporate expenses are general and administrative expenses not attributable to reportable segments.

3. The adjustment of 57 million yen for to depreciation represents depreciation expenses that do not belong to any reportable segments.

4. Segment profit correspond to the operating profit reported on the Consolidated Statement of Income.

Year ended July 31, 2025 (August 1, 2024 to July 31, 2025)

(Unit: Millions of yen)

	Reportable segment			Adjustments (Note 1,2,3)	Amount recorded on consolidated financial statements (Note 4)
	Consumer Service	Online Advertising	Total		
Net sales					
Goods to be transferred at a point in time	29	0	29	9	39
Goods to be transferred over a certain period	19,029	2,406	21,435	54	21,489
Net sales to external customers	19,059	2,406	21,465	63	21,528
Intersegment sales or transfers	—	5	5	(5)	—
Total	19,059	2,411	21,471	57	21,528
Segment profit	4,021	153	4,175	(41)	4,133
Other items					
Depreciation	91	94	185	39	225

Notes: 1. The adjustment of 63 million yen for net sales to external customers also correspond to net sales that do not belong to the reportable segments.

2. Adjustments to segment profit of (41) million yen are entirely attributable to net sales that do not belong to reportable segments and corporate expenses not allocated to reportable segments. Corporate expenses are general and administrative expenses not attributable to reportable segments.

3. The adjustment of 39 million yen for to depreciation represents depreciation expenses that do not belong to any reportable segments.

4. Segment profit correspond to the operating profit reported on the Consolidated Statement of Income.

(Per Share Information)

	Year ended July 31, 2024 (August 1, 2023 to July 31, 2024)	Year ended July 31, 2025 (August 1, 2024 to July 31, 2025)
Book value per share (yen)	268.94	288.28
Basic earnings per share (yen)	42.13	51.40
Diluted earnings per share (yen)	41.99	51.36

Notes: 1. The Company conducted a stock split on November 1, 2023 with each common share split into three shares. On the assumption that the stock split was conducted at the beginning of the previous fiscal year, net assets per share, basic earnings per share, and diluted earnings per share are calculated.

2. The basis for calculating basic earnings per share and diluted earnings per share is as follows.

Item	Year ended July 31, 2024 (August 1, 2023 to July 31, 2024)	Year ended July 31, 2025 (August 1, 2024 to July 31, 2025)
Basic earnings per share		
Profit attributable to owners of parent (millions of yen)	2,420	2,957
Amounts not allocated to common shareholders (millions of yen)	—	—
Profit attributable to owners of parent related to common shares (millions of yen)	2,420	2,957
Average number of common shares outstanding during the year (shares)	57,455,955	57,526,480
Diluted earnings per share		
Adjustments to profit attributable to owners of parent (millions of yen)	—	—
Increase in number of common shares	196,246	45,490
[Of which, share acquisition rights (shares)]	(196,246)	(45,490)
Outline of stock not included in the calculation of diluted earnings per share due to lack of dilutive effect	Forth series of share acquisition rights Number of share acquisition rights: 1,300 units (Common stock 390,000 shares)	—

(Significant Subsequent Events)

Not applicable