



Summary of Consolidated Financial Statements for the Fiscal Year Ended September 30, 2022 (Based on Japanese GAAP)

November 14, 2022

Name of listed company GMO Financial Gate, Inc. Exchange Tokyo Stock Exchange Growth
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 Scheduled date of annual general meeting of shareholders December 16, 2022 Scheduled date of commencement for dividend payment December 19, 2022
 Scheduled date of filing annual securities report December 19, 2022
 Supplemental materials prepared for financial results : Yes
 Information meeting arranged related to financial results: Yes (for institutional investors and analysts)

(Amounts rounded down to the nearest one million yen)

1. Consolidated Financial Statements for the Fiscal Year Ended September 30, 2022

(From October 1, 2021 to September 30, 2022)

(1) Consolidated Financial Statements (Cumulative) (Percentages represent year over year % change)

	Revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Mil.Yen	%	Mil.Yen	%	Mil.Yen	%	Mil.Yen	%
FY 2022	10,295	45.2	740	25.7	745	20.4	472	14.9
FY 2021	7,089	92.0	589	30.1	619	44.5	411	41.0

(*) Comprehensive profit FY2022 479 Mil.Yen (28.7%) FY2021 372 Mil.Yen (46.5%)

	Basic earnings per share	Diluted earnings per share	Return on shareholders' equity	Ordinary profit to total assets	Operating profit to revenue
	Yen	Yen	%	%	%
FY 2022	114.63	113.39	10.8	10.8	7.2
FY 2021	101.98	98.81	10.2	9.3	8.3

(Note) Share of profit of entities accounted for using equity method FY2022 -Mil.Yen FY2021 -Mil.Yen

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Mil.Yen	Mil.Yen	%	Yen
FY2022	6,638	4,670	67.8	1,090.46
FY2021	7,136	4,376	59.1	1,026.91

(Note) Equity Capital FY2022 4,503Mil.Yen FY2021 4,216Mil.Yen

(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
	Mil.Yen	Mil.Yen	Mil.Yen	Mil.Yen
FY2022	(212)	(531)	(303)	2,387
FY2021	957	(465)	(3)	3,433

2. Dividends

	Annual Dividend					Total dividends	Payout ratio (Consolidated)	Dividends to net assets (Consolidated)
	End of Q1	End of Q2	End of Q3	End of Q4	Total			
FY2021	Yen —	Yen 0.00	Yen —	Yen 51.00	Yen 51.00	Mil.Yen 209	% 50.0	% 5.1
FY 2022	—	0.00	—	58.00	58.00	239	50.6	5.5
FY2023 (forecast)	—	0.00	—	71.00	71.00		50.6	

3. Consolidated Financial Forecast for the Fiscal Year Ending September 2023

(October 1, 2022 to September 30, 2023)

(Percentages represent quarter over quarter / year over year % change)

	Revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Mil.Yen	%	Mil.Yen	%	Mil.Yen	%	Mil.Yen	%	Yen
Q2 FY2023 (Cumulative)	6,115	36.9	453	22.2	452	22.0	283	21.0	68.59
FY2023 (Full year)	12,470	21.1	930	25.6	928	24.4	580	22.8	140.45

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Notes:

- (1) Changes of important subsidiaries during the period
(change of specific subsidiaries that leads to a change in the scope of consolidation) : No
Number of new subsidiaries: - (Name) ; Number of excluded subsidiaries: (Name)
- (2) Changes in the accounting policy / changes in the accounting estimation
[1] Changes in accounting policy required by accounting criteria : Yes
[2] Changes in accounting policy other than [1] : No
[3] Changes in accounting estimations : No
[4] Restatement of prior period financial statements : No

(3) Number of shares issued (common stock)

- [1] Number of shares issued at the end of the term
(including treasury stock)
- [2] Number of treasury shares at the end of the term
- [3] Average number of shares during the term

FY2022	4,130,110	FY2021	4,106,320
FY2022	126	FY2021	65
FY2022	4,122,068	FY2021	4,034,047

(Note) Non-consolidated Financial Statements for the Fiscal Year Ended September 30, 2022
(From October 1, 2021 to September 30, 2022)

(1) Non-consolidated operating results (Percentages represent year over year % change)

	Revenue		Operating profit		Ordinary profit		Net profit	
	Mil.Yen	%	Mil.Yen	%	Mil.Yen	%	Mil.Yen	%
FY2022	9,735	45.2	528	(1.3)	532	(29.9)	354	(38.8)
FY2021	6,705	98.4	535	19.7	759	78.2	579	95.2
	Earnings per share		Diluted earnings per share					
	Yen		Yen					
FY2022	86.00		85.07					
FY2021	143.57		139.11					

(2) Non-consolidated financial position

	Total assets		Net assets		Equity ratio		Net assets per share	
	Mil.Yen	%	Mil.Yen	%	%		Yen	
FY2022	6,281		4,487		71.4		1,086.63	
FY2021	6,946		4,318		62.2		1,051.80	

(Note) Shareholders' equity FY2022 4,487Mil.Yen FY2021 4,318Mil.Yen

* financial statements are not subject the review by certified public accountants or financial statement auditors.

* Explanation of the appropriate use of forecasts and other special notes

The forward-looking statements, including business results forecasts, contained in this document are based on information available to the company at the time of preparation and on certain assumptions deemed reasonable by the company. Forward-looking statements are not intended as a promise of actual results by the company. Actual results may differ materially due to a variety of factors. For more regarding assumptions related to earnings forecasts and precautions concerning the use of earnings forecasts, see 1. Qualitative Information Regarding Results for the Period (4) Future outlook on page 5 of Attached Materials.

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1. Qualitative Information Regarding results for the Period

(1) Overview of operating results for the fiscal year ended September 30, 2022

Forward-looking statements in this document reflect GMO Financial Gate Group judgements as of the end of the fiscal year ended September 30, 2022.

Financial results for the fiscal year ended September 30, 2022 (October 1, 2021 to September 30, 2022) are as follows.

(Unit: Thousand Yen)

	FY2021 (October 1, 2020 to September 30, 2021)	FY2022 (October 1, 2021 to September 30, 2022)	Rate of Change (%)
Revenue	7,089,506	10,295,454	45.2
Operating profit	589,336	740,527	25.7
Ordinary profit	619,341	745,831	20.4
Profit attributable to owners of parent	411,378	472,523	14.9

a. Revenue

We recorded revenue of ¥10,295,454 thousand (up 45.2% year on year).

Revenue for the fiscal year ended September 30, 2022 exceeded the plan set at the beginning of the period and the upwardly revised plan released on August 8, 2022 due to increased number of newly installed payment terminals and active terminals despite the impact of COVID-19.

Sales of *stera* terminals continued to contribute to sales of payment terminals which account for most of initial sales. We were able to steadily increase initial sales by improving sales activities and the internal control related to payment terminal shipping as risk control measures to prevent the impact of concerns over the payment terminal supply chain including the semiconductor shortage.

Stock-model-revenue, consisting of stock, fee and spread revenues, steadily increased despite the impact of COVID-19. We acquired member merchants by accommodating diversifying cashless payment needs such as by providing supports for points issued by member merchants, self-checkout registers introduced for labor-saving and unattended operation, and data sharing. As a result of these efforts, the number of active terminals and the number and amount of payments processed increased, contributing to a steady growth of stock-model revenue.

During the three months ended March 31, 2022 and September 30, 2022, the amount of payments processed by member merchants in certain sectors such as restaurants decreased due to the spread of COVID-19, but the amount by all member merchants is on a recovery trend as the economic activities are gradually resuming. Also, the recognition of cashless payment as a safe payment method in terms of preventing virus infections contributed to continued expansion of offline cashless payment market in the fiscal year ended September 30, 2022 as well as the growth of stock-model revenue of the Company.

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Revenue by business model for the fiscal year ended September 30, 2022 is as follows. Figures in parenthesis are a breakdown of stock-model revenue.

(Unit: Thousand Yen)

	FY2022 (October 1, 2021 to September 30, 2022)	Ratio (%)
Initial	7,162,832	69.6
Stock-model (total of stock, fee and spread)	3,132,621	30.4
Stock	(865,597)	(8.4)
Fee	(1,316,944)	(12.8)
Spread	(950,080)	(9.2)
Total	10,295,454	100.0

b. Operating profit

We recorded operating profit of ¥740,527 thousand (up 25.7% year on year). While the profitability from sale of *stera* terminals which drove a revenue increase is not high, increases in the number and amount of payments processed, the source of high-margin stock-model revenue, contributed to steady growth of operating profit. We also recorded selling and general administrative expense in excess of the plan set at the beginning of the fiscal year in line with the strong growth in revenue, including costs for infrastructure, recruiting and return to officers and employees, but we were able to contain these costs within a reasonable range, and as a result, we were able to achieve the operating profit plan.

c. Ordinary profit

We recorded ordinary profit of ¥745,831 thousand (up 20.4% year on year). A major cause of the variance between the operating profit growth rate is that cancellation fees received and surrender value of insurance policies were recorded in non-operating income in the fiscal year ended September 30, 2021.

d. Profit attributable to owners of parent

We recorded profit attributable to owners of parent of ¥472,523 thousand (up 14.9% year on year). GMO DATA, Inc., our consolidated subsidiary in which we hold a 51% stake, had recorded loss until the fiscal year ended September 30, 2021, and the reversal of loss attributable to non-controlling shareholder (loss attributable to 49% stake) resulted in an increase in profit attributable to owners of parent. The company recorded profit for the fiscal year ended September 30, 2022, and profit attributable to 51% stake is included in profit attributable to owners of parent.

(2) Overview of financial position as of September 30, 2022

(Assets)

As of September 30, 2022, current assets decreased ¥773,520 thousand from September 30, 2021 to ¥5,016,057 thousand. This was mainly because merchandise decreased ¥108,000 thousand due to strong sales of payment terminals and cash and cash equivalents decreased ¥914,434 thousand as a result of shortening the deposit cycle applicable to merchants in a bid to enhance our competitive advantage in the offline cashless payment market. Non-current assets increased ¥275,415 thousand from September 30, 2021 to ¥1,621,956 thousand due mainly to an increase in software of ¥342,395 thousand despite decreases in goodwill of ¥44,438 thousand and in customer-related assets of ¥42,810 thousand due to amortization.

As a result, total assets decreased ¥498,105 thousand from September 30, 2021 to ¥6,638,014 thousand.

(Liabilities)

As of September 30, 2022, current liabilities decreased ¥790,896 thousand from September 30, 2021 to ¥1,928,785 thousand. This was mainly because accounts payable and deposits received decreased ¥257,113 thousand and ¥956,044 thousand, respectively, despite increases in accounts receivable of ¥108,991 thousand, allowance for bonuses of ¥151,767 thousand and income taxes payable of ¥108,852 thousand. Non-current liabilities decreased ¥1,455 thousand from September 30, 2021 to ¥38,571 thousand mainly due to a decrease in deferred tax liabilities of ¥13,108 thousand despite an increase in allowance for stock compensation plan for officers.

As a result, total liabilities decreased ¥792,352 thousand from September 30, 2021 to ¥1,967,356 thousand.

(Net assets)

As of September 30, 2022, total net assets increased ¥294,246 thousand from September 30, 2021 to ¥4,670,657 thousand. This was mainly because retained earnings increased ¥472,523 thousand due to recording of profit attributable to owners of parent while retained earnings decreased ¥209,419 thousand due to distribution of dividend from surplus.

(3) Overview of cash flows for the fiscal year ended September 30, 2022

As of September 30, 2022, cash and cash equivalents ("cash") decreased ¥1,046,434 thousand from September 30, 2021 to ¥2,387,185 thousand.

A summary of cash flows from each activity for the fiscal year ended September 30, 2022 is as follows.

(Cash flows from operating activities)

Net cash used by operating activities was ¥172,428 thousand (net cash provided of ¥957,075 thousand for the fiscal year ended September 30, 2021). While cash increased due to recording of profit before income taxes of ¥745,831 thousand and depreciation of ¥322,577 thousand, cash decreased due mainly to decreases in deposits received of ¥956,044 thousand and trade payables of ¥257,113 thousand.

(Cash flows from investing activities)

Net cash used in investing activities was ¥570,969 thousand (net cash used of ¥465,672 thousand for the fiscal year ended September 30, 2021) mainly because cash decreased due to purchase of intangible fixed assets of ¥530,206 thousand.

(Cash flows from financing activities)

Net cash used in financing activities was ¥303,036 thousand (net cash used of ¥3,810 thousand for the fiscal year ended September 30, 2021) mainly because cash decreased due to contribution to trust of ¥132,000 thousand and payments of dividend of ¥188,449 thousand while cash increased due to proceeds from issuance of shares through exercise of share options of ¥25,080 thousand.

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(4) Future outlook

While COVID-19 continues to run rampant with new daily cases marking a record high amid the seventh wave, there is a movement toward normalization of economic activities such as relaxation of border controls on foreign tourists. Meanwhile, there are a cooling stock market as a result of the tight monetary policy adopted by a number of countries to deal with a rapid increase in prices of a wide range of products, sudden fluctuations in foreign exchange rates, and uncertain economic prospect. And factors such as geopolitical risk resulting from the Ukraine situation are also increasing the uncertainty over the outlook of the Japanese economy in an unprecedented manner. In the offline cashless payment market in which the Group operates, the number of member merchants adopting the cashless payment is on the rise against a backdrop of the government-led promotion and diversifying payment methods as well as a shift to safe payment methods amid the prolonged COVID-19 crisis. Under such environment, the Group aims to focus on sales of payment terminals meeting the needs of member merchants, enhancement of payment processing centers, and acquisitions of new member merchants and alliance partners to continue medium and long-term growth in revenue and operating profit.

Consolidated financial forecast for the fiscal year ending September 30, 2023 is revenue of ¥12,470 million (up 21.1% year-on-year), operating profit of ¥930 million (up 25.6% year-on-year), ordinary profit of ¥ 928 million (up 24.4% year-on-year) and profit attributable to owners of parent of ¥580 million (up 22.8% year-on-year).

(5) Basic policy on profit distribution and dividends for the current and next fiscal year

Recognizing shareholder returns as one of its important management issues, the Company aims for stable and continuous payment of dividends in comprehensive consideration of financial results and adequate internal reserves to meet capital needs for business expansion.

The year-end dividend for the fiscal year ended September 30, 2022, which was forecast to be ¥57 per share in the “Summary of Consolidated Financial Statements for the Fiscal Year Ended September 30, 2021” dated November 11, 2021, will be increased by ¥1 yen to ¥58 per share as the financial results for the fiscal year ended September 30, 2022 exceeded the disclosed forecast. (Note)

The dividends for the fiscal year ending September 30, 2023 are forecast to be ¥71 per share based on our strong business plan with an aim to further enhance shareholder return by paying higher dividends than the current fiscal year and increase medium and long-term corporate value.

(Note) To be resolved at the Company’s Board of Directors meeting scheduled to be held on November 21, 2022.

2. Basic Concept Regarding Selections of Accounting Standards

The Group will prepare its consolidated financial statements under Japanese GAAP for the moment in consideration of comparability between periods and with other companies.

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3. Consolidated financial statements and Major Notes

(1) Consolidated balance sheet

(Unit: Thousand Yen)

	End of FY2021 (September 30, 2021)	End of FY2022 (September 30, 2022)
Assets		
Current assets		
Cash and cash equivalents	3,433,620	2,519,185
Trade accounts receivable	521,859	630,851
Merchandise	1,614,846	1,506,845
Other financial assets	222,334	362,240
Allowance of doubtful accounts	(3,082)	(3,065)
Total current assets	5,789,578	5,016,057
Non-current assets		
Property, plant and equipment	60,281	79,685
Intangible fixed assets		
Software	646,884	989,279
Software in progress	192,938	103,872
Customer-related assets	128,432	85,621
Goodwill	222,192	177,753
Other intangible fixed assets	2,549	60
Total intangible fixed assets	1,192,997	1,356,587
Investments and other assets		
Lease deposits	23,645	47,801
Bankruptcy rehabilitation claims	995	1,021
Deferred tax assets	69,597	137,863
Other investments and other	19	19
Allowance for doubtful accounts	(995)	(1,021)
Total investments and other assets	93,262	185,683
Total non-current assets	1,346,541	1,621,956
Total assets	7,136,119	6,638,014

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(Unit: Thousand Yen)

	End of FY2021 (September 30, 2021)	End of FY2022 (September 30, 2022)
Liabilities		
Current liabilities		
Account payable	1,092,309	814,649
Income taxes payable	144,166	253,018
Contract liabilities	—	34,343
Deposits received	1,129,466	173,421
Allowance for employees' bonuses	89,733	241,500
Allowance for directors' bonuses	20,000	59,300
Other current liabilities	244,006	352,552
Total current liabilities	2,719,682	1,928,785
Non-current liabilities		
Provision for employee stock ownership plan trust	—	166
Provision for management board benefit trust	—	11,977
Deferred tax liabilities	39,326	26,217
Other non-current liabilities	700	210
Total non-current liabilities	40,026	38,571
Total liabilities	2,759,709	1,967,356
Net assets		
Shareholders' equity		
Capital stock	1,605,446	1,617,987
Capital surplus	1,618,557	1,631,098
Retained earnings	994,020	1,257,124
Treasury stock	(1,252)	(2,627)
Total shareholders' equity	4,216,771	4,503,581
Non-controlling interests	159,639	167,075
Total net assets	4,376,410	4,670,657
Total liabilities and net assets	7,136,119	6,638,014

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(2) Consolidated statement of income and consolidated statement of comprehensive income

Consolidated statement of income

	(Unit: Thousand Yen)	
	FY2021 (October 1, 2020 to September 30, 2021)	FY2022 (October 1, 2021 to September 30, 2022)
Revenue	7,089,506	10,295,454
Cost of goods sold	5,068,985	7,527,314
Gross profit	2,020,521	2,768,140
Selling, general and administrative expenses		
Directors' compensations	134,276	135,648
Salaries and allowances	398,166	490,491
Provision for employee bonuses	89,733	241,500
Provision for employee stock ownership plan trust	—	166
Provision for directors' bonuses	20,000	59,300
Provision for management board benefit trust	—	11,977
Amortization of goodwill	44,438	44,438
Other selling, general and administrative expenses	744,570	1,044,091
Total selling, general and administrative expenses	1,431,185	2,027,612
Operating profit	589,336	740,527
Non-operating income		
Interest income	72	23
Cancellation fee received	17,400	—
Receipt cancellation reimbursement	10,909	6,071
Other non-operating income	1,777	104
Total non-operating income	30,158	6,198
Non-operating expense		
Interest expense	151	894
Other non-operating expense	2	0
Total non-operating expense	153	894
Ordinary profit	619,341	745,831
Extraordinary loss		
Loss on retirement of non-current assets	898	—
Total extraordinary loss	898	—
Profit before income taxes	618,442	745,831
Corporation income tax, resident tax, business tax	267,067	347,245
Corporation income taxes deferred	(21,409)	(81,374)
Total corporation income taxes	245,657	265,871
Profit	372,784	479,959
Profit attributable to non-controlling shareholder	(38,593)	7,436
Profit attributable to owners of parent	411,378	472,523

Translation

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Consolidated statement of comprehensive income

(Unit: Thousand Yen)

	FY2021 (October 1, 2020 to September 30, 2021)	FY2022 (October 1, 2021 to September 30, 2022)
Profit	372,784	479,959
Comprehensive income	372,784	479,959
(Breakdown)		
Comprehensive income attributable to owners of parent	411,378	472,523
Comprehensive income attributable to non-controlling shareholder	△38,593	7,436

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(3) Consolidated statement of changes in equity

Previous fiscal year (October 1, 2020 to September 30, 2021)

(Unit: Thousand Yen)

	Shareholders' equity					Stock option	Profit attributable to non-controlling shareholder	Total net asset
	Capital	Capital surplus	Retained earnings	Treasury stock	Total of shareholders' equity			
Balance at beginning of period	1,533,123	1,546,234	740,576	—	3,819,934	0	198,233	4,018,167
Changes during the period								
Exercise of stock options	72,323	72,323			144,646			144,646
Dividends of surplus			(157,934)		(157,934)			(157,934)
Acquisition of treasury stock				(1,252)	(1,252)			(1,252)
Profit attributable to the owners of parents			411,378		411,378			411,378
Changes during the period of items other than shareholders' equity, Net						(0)	(38,593)	(38,593)
Total of changes during the period	72,323	72,323	253,443	(1,252)	396,837	(0)	(38,593)	358,243
Balance at end of period	1,605,446	1,618,557	994,020	(1,252)	4,216,771	—	159,639	4,376,410

Current fiscal year (October 1, 2021 to September 30, 2022)

(Unit: Thousand Yen)

	Shareholders' equity					Profit attributable to non-controlling shareholder	Total net asset
	Capital	Capital surplus	Retained earnings	Treasury stock	Total of shareholders' equity		
Balance at beginning of period	1,605,446	1,618,557	994,020	(1,252)	4,216,771	159,639	4,376,410
Changes during the period							
Exercise of stock options	12,540	12,540			25,080		25,080
Dividends of surplus			(209,419)		(209,419)		(209,419)
Acquisition of treasury stock				(1,375)	(1,375)		(1,375)
Profit attributable to the owners of parents			472,523		472,523		472,523
Changes during the period of items other than shareholders' equity, Net						7,436	7,436
Total of changes during the period	12,540	12,540	263,104	(1,375)	286,810	7,436	294,246
Balance at end of period	1,617,987	1,631,098	1,257,124	(2,627)	4,503,581	167,075	4,670,657

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(4) Consolidated statement of cash flows

(Unit: Thousand Yen)

	FY2021 (October 1, 2020 to September 30, 2021)	FY2022 (October 1, 2021 to September 30, 2022)
Cash flows from operating activities		
Profit before income taxes	618,442	745,831
Depreciation	230,249	317,153
Amortization of goodwill	44,438	44,438
Increase(decrease) in allowance for employees' bonuses	(5,567)	151,767
Increase(decrease) in allowance for directors' bonuses	(18,500)	39,300
Increase (decrease) in provision for employee stock ownership plan trust	—	166
Increase (decrease) in provision for management board benefit trust	—	11,977
Increase(decrease) in allowance for doubtful accounts	2,048	8
Losses on retirement of non-current assets	898	—
Receipt cancellation reimbursement	(10,909)	(6,071)
Interest income	(72)	(23)
Interest expense	151	894
Decrease(increase) in trade accounts receivables	(209,195)	(109,016)
Decrease(increase) in inventories	(183,232)	108,054
Increase(decrease) in trade payables	592,735	(277,659)
Increase(decrease) in deposits received	65,187	(956,044)
Other, net	98,006	(48,041)
Subtotal	1,224,682	22,733
Interest income received	72	23
Interest expense paid	(151)	(894)
Proceeds from receipt cancellation reimbursement	10,909	6,071
Income taxes paid	(278,437)	(240,118)
Net cash provided by (used in) operating activities	957,075	(212,184)
Cash flows from investing activities		
Purchase of property, plant and equipment	(25,850)	(14,481)
Purchase of intangible fixed assets	(442,781)	(492,538)
Payment of office lease deposits	—	(24,155)
Other, net	2,959	(37)
Net cash provided by (used in) investing activities	(465,672)	(531,214)
Cash flows from financing activities		
Proceeds from share issuance by exercising stock options	144,646	25,080
Purchase of treasury stock	(1,252)	(1,375)
Payments of money hold in trust for purchase of treasury stock	—	(132,000)
Dividend paid	(139,040)	(188,449)
Other, net	(8,163)	(6,292)
Net cash provided by (used in) financing activities	(3,810)	(303,036)
Net increase(decrease) in cash and cash equivalents	487,592	(1,046,434)
Cash and cash equivalents at the beginning of period	2,946,028	3,433,620
Cash and cash equivalents at the end of period	3,433,620	2,387,185

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(5) Notes regarding consolidated financial statements

(Notes regarding the going concern assumptions)

Not applicable

(Changes of accounting policy)

(Application of accounting standard for revenue recognition, etc.)

Effective October 1, 2021, the Company applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020), etc. and recognizes revenue at an amount that it expects to receive in exchange for the promised goods or services when the control of the goods or services is transferred to a customer. As a result, the Group changed the method of revenue recognition applied to projects to develop center functions for the purpose of acquiring specific member merchants from recognizing the total amount of consideration received from a customer as revenue at a point in time to recognizing over a period of time as a performance obligation is satisfied.

We applied the Accounting Standard for Revenue Recognition, etc. from October 1, 2021 pursuant to the transitional treatment provided for in the proviso of Paragraph 84 of the Accounting Standard for Revenue Recognition, with the cumulative effect of the retrospective application, assuming the new accounting policy had been applied to periods prior to October 1, 2021, adjusted to the beginning balance of retained earnings as of October 1, 2021. However, in accordance with the method provided for in Paragraph 86 of the Accounting Standard for Revenue Recognition, we did not apply the new accounting policy retrospectively to the contracts for which substantially all revenue was recognized under the previous method prior to October 1, 2021.

As a result, revenue for the fiscal year ended September 30, 2022 decreased by ¥1,888 thousand, and operating profit, ordinary profit and profit attributable to owners of parent decreased by ¥1,888 thousand, respectively. There was no impact on the beginning balance of retained earnings as of October 1, 2021.

In accordance with the transitional treatment stipulated in Paragraph 89-3 of the Accounting Standard for Revenue Recognition, "Revenue Recognition Notes" for the previous fiscal year are not presented.

(Application of accounting standard for fair value measurement, etc.)

The "Accounting Standard for Calculation of Fair Value" (ASBJ Statement No. 30, July 4, 2019. Hereinafter referred to as "Accounting Standard for Calculation of Fair Value") The "Accounting Standard for Calculation of Fair Value" (ASBJ Statement No. 30, July 4, 2019) and the "Accounting Standard for Calculation of Fair Value" (ASBJ Statement No. 30, July 4, 2019) are applied from the beginning of the current fiscal year, and the transitional treatment prescribed in Paragraph 19 of the Accounting Standard for Calculation of Fair Value and Paragraph 44-2 of the "Accounting Standard for Financial Instruments" (ASBJ Statement No. 10, July 4, 2019) is applied. In accordance with the treatment, the new accounting policy stipulated by the fair value accounting standard will be applied prospectively. There is no impact on the consolidated financial statements.

(Segment Information)

The Group's business segment consists of a single segment, face-to-face payment services only, and therefore segment information is omitted.

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(Per share information)

	FY2021 (October 1, 2020 to September 30, 2021)	FY2022 (October 1, 2021 to September 30, 2022)
Net assets per share	1,026.91 Yen	1,090.46 Yen
Earnings per share	101.98 Yen	114.63 Yen
Diluted earnings per share	98.81 Yen	113.39 Yen

(Note) The condition of calculation of earnings per share and diluted earnings per share are as below.

	FY2021 (October 1, 2020 to September 30, 2021)	FY2022 (October 1, 2021 to September 30, 2022)
Earnings per share		
Profit attributable to owners of parent (Thousand yen)	411,378	472,523
Amounts not attributable to common shareholders (Thousand yen)	—	—
Profit attributable to owners of parent related to common stock (Thousand yen)	411,378	472,523
Average number of common stock during the period	4,034,047	4,122,068
Diluted earnings per share		
Deferred Profit attributable to owners of parent (Thousand yen)	—	—
Number of increase in common stock	129,325	45,110
(Contribution from stock option)	(129,325)	(45,110)
Other type of stock options which are not connected with the dilution of stock	—	—

(Significant subsequent event)

1. Acquisition of the Company's shares by "Board Benefit Trust (BBT)"

- (1) Class of shares acquired: Common stock of the Company
- (2) Number of shares acquired: 4,700 shares
- (3) Total value of shares acquired: 59,886 thousand yen
- (4) Date of acquisition: From October 4 to October 5
- (5) Method of acquisition: Acquisition through stock market

2. Acquisition of the Company's shares by "Japanese Employee Stock Ownership Plan (J-ESOP)"

- (1) Class of shares acquired: Common stock of the Company
- (2) Number of shares acquired: 4,700 shares
- (3) Total value of shares acquired: 50,878 thousand yen
- (4) Date of acquisition: From October 4 to October 5
- (5) Method of acquisition: Acquisition through stock market