

Financial Statements

Balance Sheets

(Thousands of Yen)

Account	10th Fiscal Year (As of Dec. 31, 2022)	Account	10th Fiscal Year (As of Dec. 31, 2022)
Assets		Liabilities	
Current Assets	256,144	Current Liabilities	58,062
Cash and Deposits	207,110	Current Portion of Long-Term Loans Payable	50,080
Accounts Receivable Trade	40,941	Accounts Payable-Other	2,504
Prepaid Expenses	5,598	Accrued Expenses	2,137
Others	2,494	Income taxes payable	296
		Deposits Received	2,476
Noncurrent Assets	16,770	Others	567
Tangible Assets	0	Noncurrent Liabilities	147,600
Buildings	0	Long-Term Loans Payable	147,600
Tools, Furniture and Fixtures	0	Total of Liabilities	205,662
		Net Assets	
Investments and Other Assets	16,770	Shareholders' Equity	65,899
Investment Securities	9,952	Capital Stock	90,163
Long-term Prepaid Expenses	625	Capital Surplus	473,345
Others	6,193	Legal Capital Surplus	281,254
		Other Capital Surplus	192,091
		Retained Earnings	(497,609)
		Other Retained Earnings	(497,609)
		Retained Earnings Brought Forward	(497,609)
		Valuation and Translation Adjustments	(208)
		Valuation Difference on Available for Sale Securities	(208)
		Subscription Rights to Shares	1,562
		Total of Net Assets	67,253
Total of Assets	272,915	Total of Liabilities and Net Assets	272,915

(Note) Figures less than one thousand yen are rounded down to the nearest thousand.

Statement of Income

(Thousands of Yen)

Account	10th Fiscal Year	
	(January 1, 2022 to December 31, 2022)	
Net Sales		124,163
Cost of Sales		3,116
Gross Profit		121,046
Selling, General and Administrative Expenses		268,276
Operating Loss		(147,229)
Non-Operating Income		
Interest Income	11	
Foreign Exchange Gains	14,712	
Subsidy Income	2,500	
Others	10	17,235
Non-Operating Expenses		
Interest Expenses	1,516	1,516
Ordinary Loss		(131,510)
Extraordinary Loss		
Impairment Loss	9,154	9,154
Loss Before Income Taxes		(140,665)
Income Taxes - Current	296	296
Net Loss		(140,962)

(Note) Figures less than one thousand yen are rounded down to the nearest thousand.

Statements of Changes in Net Assets

(10th Fiscal Year from January 1, 2022 to December 31, 2022)

(Thousands of Yen)

	Shareholders' Equity					
	Capital Stock	Capital Surplus			Retained Earnings	
		Legal Capital Surplus	Other Capital Surplus	Total of Capital Surplus	Other Retained Earnings	Total of Retained Earnings
				Retained Earnings Brought Forward		
Balance at Beginning of Current Period	90,000	281,091	192,091	473,182	(370,323)	(370,323)
Cumulative effects of changes in accounting policies					13,676	13,676
Balance at beginning of period reflecting changes in accounting policies	90,000	281,091	192,091	473,182	(356,647)	(356,647)
Changes of Items During the Period						
Issuance of New Shares	163	163	—	163		
Net Loss					(140,962)	(140,962)
Net changes in items other than shareholders' equity						
Total Changes of Items During the Period	163	163	—	163	(140,962)	(140,962)
Balance at Ending of Current Period	90,163	281,254	192,091	473,345	(497,609)	(497,609)

	Shareholders' Equity	Valuation and Translation Adjustments		Subscription Rights to Shares	Total of Net Assets
	Total of Shareholders' Equity	Valuation Difference on Available for Sale Securities	Total of Valuation and Translation Adjustments		
Balance at Beginning of Current Period	192,858	—	—	1,689	194,547
Cumulative effects of changes in accounting policies	13,676				13,676
Balance at beginning of period reflecting changes in accounting policies	206,534	—	—	1,689	208,223
Changes of Items During the Period					
Issuance of New Shares	327			(127)	200
Net Loss	(140,962)				(140,962)
Net changes in items other than shareholders' equity		(208)	(208)	—	(208)
Total Changes of Items During the Period	(140,635)	(208)	(208)	(127)	(140,970)
Balance at Ending of Current Period	65,899	(208)	(208)	1,562	67,253

(Note) Figures less than one thousand yen are rounded down to the nearest thousand.