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April 14, 2025

## Consolidated Financial Results for the Six Months Ended February 28, 2025 (Under Japanese GAAP)

Company name: Goodpatch Inc.  
 Listing: Tokyo Stock Exchange  
 Securities code: 7351  
 URL: <https://goodpatch.com/>  
 Representative: Naofumi Tsuchiya, Chief Executive Officer  
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 Scheduled date to file quarterly securities report: April 14, 2025  
 Scheduled date to commence dividend payments: —  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results briefing: Yes

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

### 1. Consolidated financial results for the six months ended February 28, 2025 (from September 1, 2024 to February 28, 2025)

#### (1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
February 28, 2025	2,468	19.6	329	334.8	340	333.9	231	442.4
February 29, 2024	2,065	13.6	75	(36.1)	78	(36.5)	42	(56.4)

Note: Comprehensive income For the six months ended February 28, 2025: ¥ 231 million [413.6 %]  
 For the six months ended February 29, 2024: ¥ 45 million [(53.8) %]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
February 28, 2025	26.19	26.08
February 29, 2024	4.68	4.63

#### (2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
February 28, 2025	4,823	3,977	81.6
August 31, 2024	4,676	3,872	82.3

Reference: Equity  
 As of February 28, 2025: ¥ 3,935 million  
 As of August 31, 2024: ¥ 3,850 million

## 2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended August 31, 2024	—	0.00	—	0.00	0.00
Fiscal year ending August 31, 2025	—	0.00			
Fiscal year ending August 31, 2025 (Forecast)			—	0.00	0.00

Note: Revisions to the forecast of cash dividends most recently announced: None

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending August 31, 2025 (from September 1, 2024 to August 31, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	yen
Full year	4,946	25.4	419	-	422	803.6	273	-	30.50

Note: Revisions to the financial results forecast most recently announced: None

**\* Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): Yes

Newly included: People and Design Inc.

Excluded: -

- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

- (3) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

- (4) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)

As of February 28, 2025	9,220,220 shares
As of August 31, 2024	9,218,180 shares

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

As of February 28, 2025	512,755 shares
As of August 31, 2024	174,205 shares

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

Six months ended February 28, 2025	8,852,185 shares
Six months ended February 29, 2024	9,140,836 shares

\* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

\* Proper use of earnings forecasts, and other special matters

The forward-looking statements, including performance forecasts, contained in this document are based on information currently available to the company and certain assumptions deemed reasonable. They are not intended as a promise of achievement by the company. Actual performance may differ significantly due to various factors.

Quarterly Consolidated Financial Statements  
Quarterly Consolidated Balance Sheets

(Thousands of yen)

	As of August 31, 2024	As of February 28, 2025
<b>Assets</b>		
Current assets		
Cash and deposits	3,275,145	3,341,860
Accounts receivable - trade and contract assets	427,708	537,371
Work in process	2,884	21,710
Prepaid expenses	79,830	96,613
Income taxes refund receivable	48,772	-
Other	4,953	9,502
Total current assets	3,839,295	4,007,058
Non-current assets		
Property, plant and equipment		
Buildings	75,179	75,179
Accumulated depreciation	(37,019)	(39,560)
Buildings, net	38,160	35,619
Tools, furniture and fixtures	81,552	74,290
Accumulated depreciation	(71,834)	(65,084)
Tools, furniture and fixtures, net	9,717	9,206
Leased assets	-	9,680
Accumulated depreciation	-	(460)
Leased assets, net	-	9,219
Total Property, plant and equipment	47,877	54,044
Intangible assets		
Trademark right	1,493	1,370
Goodwill	412,538	382,086
Customer-related intangible assets	53,444	49,333
Total Intangible assets	467,475	432,790
Investments and other assets		
Investment securities	202,017	259,189
Leasehold and guarantee deposits	22,827	22,496
Deferred tax assets	74,017	25,173
Other	22,492	22,532
Total Investments and other assets	321,355	329,391
Total non-current assets	836,708	816,227
Total assets	4,676,003	4,823,285

(Thousands of yen)

	As of August 31, 2024	As of February 28, 2025
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	63,192	106,819
Current portion of long-term borrowings	162,412	151,430
Accounts payable - other	85,434	75,776
Accrued expenses	40,766	31,371
Income taxes payable	15,388	90,475
Accrued consumption taxes	34,684	80,767
Contract liabilities	76,054	55,002
Lease liabilities	-	1,335
Provision for bonuses	1,885	27,877
Deposits received	49,524	22,493
Other	3,989	-
Total current liabilities	533,332	643,350
Non-current liabilities		
Long-term borrowings	238,849	164,270
Lease liabilities	-	8,880
Asset retirement obligations	11,592	11,600
Deferred tax liabilities	19,848	18,149
Total non-current liabilities	270,290	202,901
Total non-current liabilities	803,622	846,251
<b>Net assets</b>		
Shareholders' equity		
Share capital	1,772,244	1,772,360
Legal capital surplus	1,767,244	1,767,360
Retained earnings	414,192	646,065
Treasury shares	(100,100)	(250,114)
Total shareholders' equity	3,853,580	3,935,671
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(60)	26
Foreign currency translation adjustment	(3,069)	(145)
Total accumulated other comprehensive income	(3,130)	(118)
Share acquisition rights	21,930	22,370
Non-controlling interests	-	19,110
Total net assets	3,872,380	3,977,033
Total liabilities and net assets	4,676,003	4,823,285

Quarterly Consolidated Statements of Income and Comprehensive Income  
Quarterly Consolidated Statements of Income (For the six months)

(Thousands of yen)

	Six Months Ended February 29, 2024	Six Months Ended February 28, 2025
Net sales	2,065,082	2,468,955
Cost of sales	960,477	1,030,994
Gross profit	1,104,604	1,437,961
Selling, general and administrative expenses	1,028,729	1,108,055
Operating profit	75,874	329,906
Non-operating income		
Interest income	155	1,567
Share of profit of entities accounted for using equity method	8,272	12,756
Foreign exchange gains	186	44
Other	1,867	2,780
Total non-operating income	10,481	17,147
Non-operating expenses		
Interest expenses	430	1,209
Share issuance costs	93	0
Stock acquisition rights issuance costs	552	552
Loss on investments in investment partnerships	6,160	3,450
Commission expenses	662	1,317
Other	19	169
Total non-operating expenses	7,919	6,698
Ordinary profit	78,437	340,355
Extraordinary income		
Gain on liquidation of subsidiaries and associates	-	971
Gain on reversal of share acquisition rights	273	3,054
Total extraordinary income	273	4,026
Profit before income taxes	78,710	344,381
Income taxes - current	23,386	70,327
Income taxes - deferred	12,571	45,721
Total income taxes	35,958	116,048
Profit	42,752	228,332
Loss attributable to non-controlling interests	-	(3,540)
Profit attributable to owners of parent	42,752	231,873

## Quarterly Consolidated Statements of Comprehensive Income (For the six months)

(Thousands of yen)

	Six Months Ended February 29, 2024	Six Months Ended February 28, 2025
Profit	42,752	228,332
Other comprehensive income		
Valuation difference on available-for-sale securities	2,315	87
Foreign currency translation adjustment	(23)	2,923
Total other comprehensive income	2,291	3,011
Comprehensive income	45,044	231,343
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	45,044	234,884
Comprehensive income attributable to non-controlling interests	-	(3,540)

## Quarterly Consolidated Statements of Cash Flows

(Thousands of yen)

	Six Months Ended February 29, 2024	Six Months Ended February 28, 2025
<b>Cash flows from operating activities</b>		
Profit before income taxes	78,710	344,381
Depreciation	9,755	9,396
Amortization of goodwill	31,733	32,375
Increase (decrease) in provision for bonuses	11,728	25,992
Interest income	(155)	(1,567)
Interest expenses	430	1,209
Share issuance costs	93	0
Share of loss (profit) of entities accounted for using equity method	(8,272)	(12,756)
Gain on liquidation of subsidiaries and associates	-	(971)
Decrease (increase) in accounts receivable - trade, and contract assets	49,915	(109,662)
Decrease (increase) in inventories	2,118	(18,826)
Decrease (increase) in prepaid expenses	(24,990)	(16,803)
Increase (decrease) in trade payables	(23,018)	43,626
Increase (decrease) in accounts payable - other	(53,952)	(9,432)
Increase (decrease) in accrued expenses	(29,589)	(8,570)
Increase (decrease) in contract liabilities	(15,561)	(21,051)
Increase (decrease) in accrued consumption taxes	(7,097)	46,106
Other	(44)	(21,797)
Subtotal	21,804	281,648
Interest and dividends received	15	1,427
Interest paid	(488)	(1,191)
Income taxes paid	(73,795)	(2,681)
Income taxes refund	12,652	50,037
Net cash provided by (used in) operating activities	(39,812)	329,241
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(10,229)	(1,675)
Payments of leasehold and guarantee deposits	(297)	(119)
Purchase of investment securities	(20,000)	(48,000)
Proceeds from distributions from investment partnerships	1,294	-
Net cash provided by (used in) investing activities	(29,231)	(49,794)
<b>Cash flows from financing activities</b>		
Proceeds from long-term borrowings	50,000	-
Repayments of long-term borrowings	(62,948)	(85,561)
Purchase of treasury shares	(73,898)	(151,331)
Proceeds from share issuance to non-controlling shareholders	-	24,500
Proceeds from issuance of shares resulting from exercise of share acquisition rights	2,451	231
Repayments of lease liabilities	-	(431)
Net cash provided by (used in) financing activities	(84,395)	(212,592)



(Thousands of yen)

	Six Months Ended February 29, 2024	Six Months Ended February 28, 2025
Effect of exchange rate change on cash and cash equivalents	149	(140)
Net increase (decrease) in cash and cash equivalents	(153,290)	66,714
Cash and cash equivalents at beginning of period	3,273,786	3,275,145
Cash and cash equivalents at end of period	3,120,496	3,341,860