

# Financial Results of Operations

the Year Ended April 30, 2022

ZAPPALLAS, INC.

<https://www.zappallas.com/>

TSE Standard Section:3770



# I . Overview of Results

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# 01 Our business

Results for FY 4/2022: Consolidated sales: 4,804 million yen, operating income: 72 million yen

## Mobile Service



- The sales of this segment in FY 4/2022: 3,945 million yen
- Business operation based on mainly cocoloni, Inc. and con\*course, Inc.
- The mainstay is digital fortunetelling content offered via smartphones and PCs.
- According to sales, there emerge commissions for fee collection for cellphone carriers, etc. and royalties to editorial supervisors (fortune-tellers).
- In addition to the conventional fortune-telling websites, we offer telephone-based and chat-based fortune-telling services, etc., diversifying our business.

### Services



## Others

Joint venture  
with Yoshimoto Kogyo  
Holdings Co., Ltd.



- The sales of this segment in FY 4/2022: 438 million yen
- Zappallas, Inc. is in charge of the business administration of our corporate group, the EC site handling baby goods, the creation of new businesses related to fortune-telling, etc.
- Luck Out, Inc. is a talent agency specializing in fortune-tellers.



## Overseas



- The sales of this segment in FY 4/2022: 425 million yen
- U.S. corporation operates a fortune-telling site targeted at English-speaking countries.



Part of sales from cocoloni, Inc. is included in Other Business, while part of sales of Zappallas, Inc. is included in Mobile Service Business.

## 02 Full-year Results

(Millions of yen)	Results from previous year (year ended Apr 30, 2021)	<b>Actual Results (year ended Apr 30, 2022)</b>	Earnings forecast (year ending Apr 30, 2023)
Sales	4,792	<b>4,804</b>	4,170
Operating income	356	<b>72</b>	<b>▲180</b>
Ordinary income	376	<b>212</b>	-
Net income	286	<b>▲8</b>	-
Annual dividend	¥7.0	<b>¥3.0</b>	Undecided

- Sales grew slightly. Operating income, ordinary income, and net income before taxes and other adjustments were in the black, but net income was slightly in the red, due to the reversal of deferred tax assets, etc.
- We will pay a term-end dividend of 3 yen/share.
- For the next term, our company projects that sales will decline due to the adjustment of some services, the termination or shrinkage of remaining services for feature phones, etc. In addition, an operating loss is forecast to be posted, due to the upfront investment in promotion, etc. with the aim of expanding the customer base.

## 03 Consolidated P/L Summary (Comparison with Year on Year Comparison)

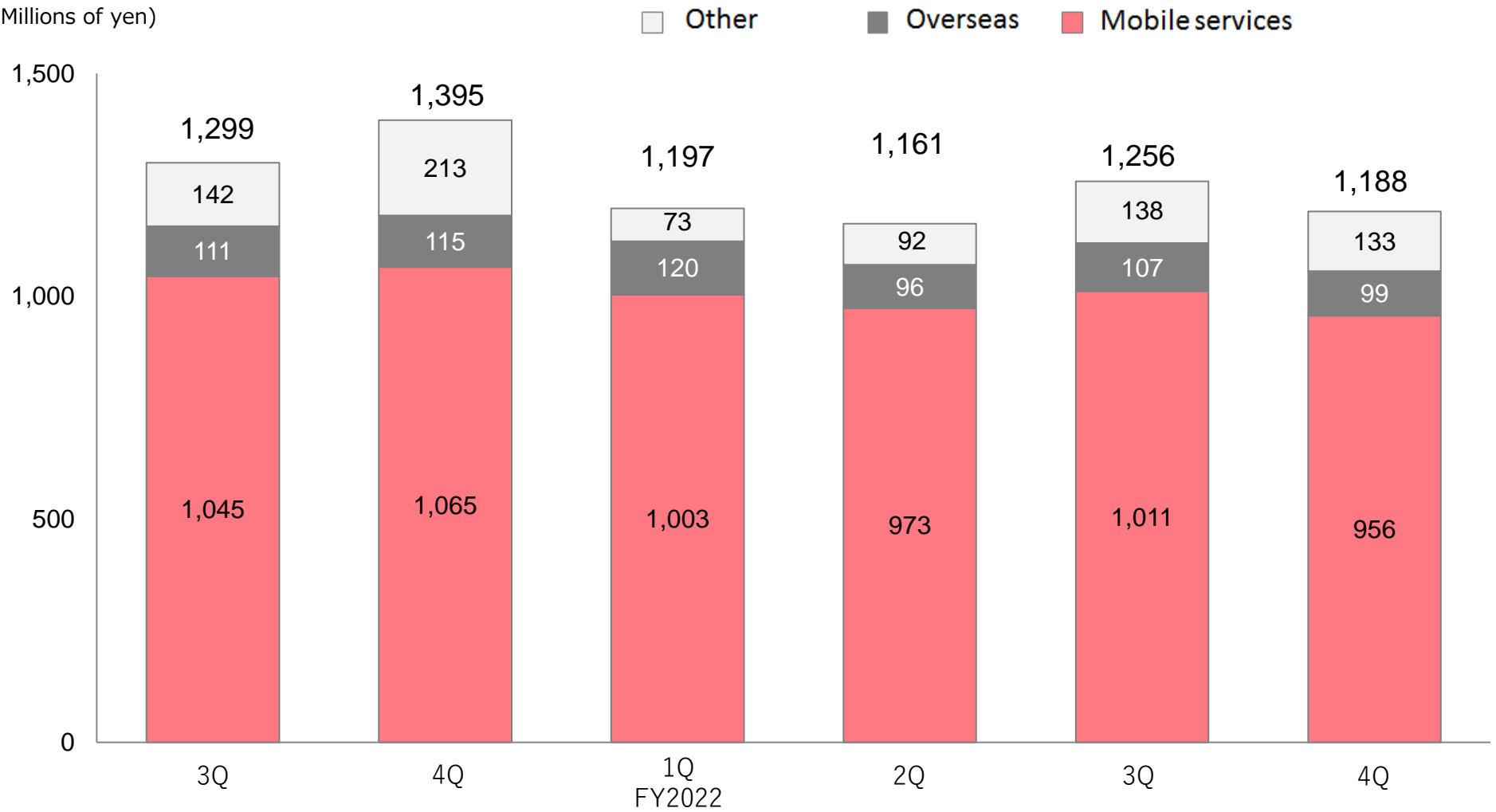
(Millions of yen)	Q4 of year ended April 30, 2021 (May. - Apr.)		Q4 of year ending April 30, 2022 (May. - Apr.)		% change
	Amount	% of sales	Amount	% of sales	
Sales	4,792	100.0%	4,804	100.0%	0.4%
Gross profit	3,382	70.6%	3,326	69.2%	-1.6%
SG&A	3,026	63.1%	3,253	67.7%	7.5%
Operating income	356	7.4%	72	1.5%	-79.6%
Ordinary income	376	7.8%	212	4.4%	-43.5%
Net income	286	6.0%	-8	-0.2%	-

- In the term ended April 2022, the sales of fortune-telling services, mainly the contents of editorial supervisors (fortune-tellers), who are significantly exposed to the media, were healthy, so sales increased slightly.
- Operating income dropped, due to the augmentation of advertisement costs for investment in cooperation in production of terrestrial TV programs, etc.
- Exchange gain was posted in non-operating revenues.
- Pretax profit was posted, but net income was in the red, due to the reversal of deferred tax assets.

\*From the reference material for briefing results in 1Q of FY 4/2022, we indicate year-on-year changes instead of quarter-on-quarter changes.

# 04 Consolidated Sales by Quarter

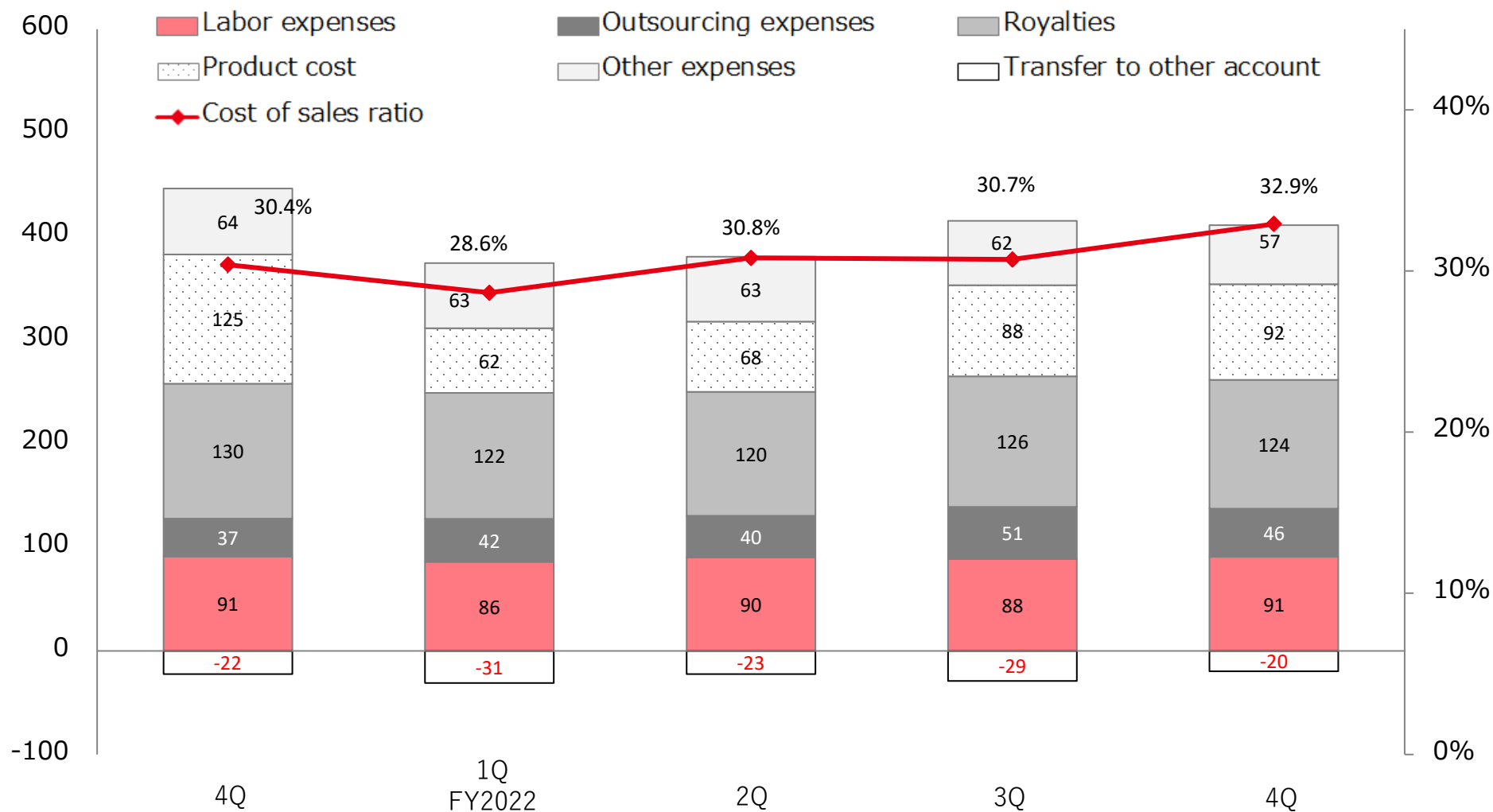
(Millions of yen)



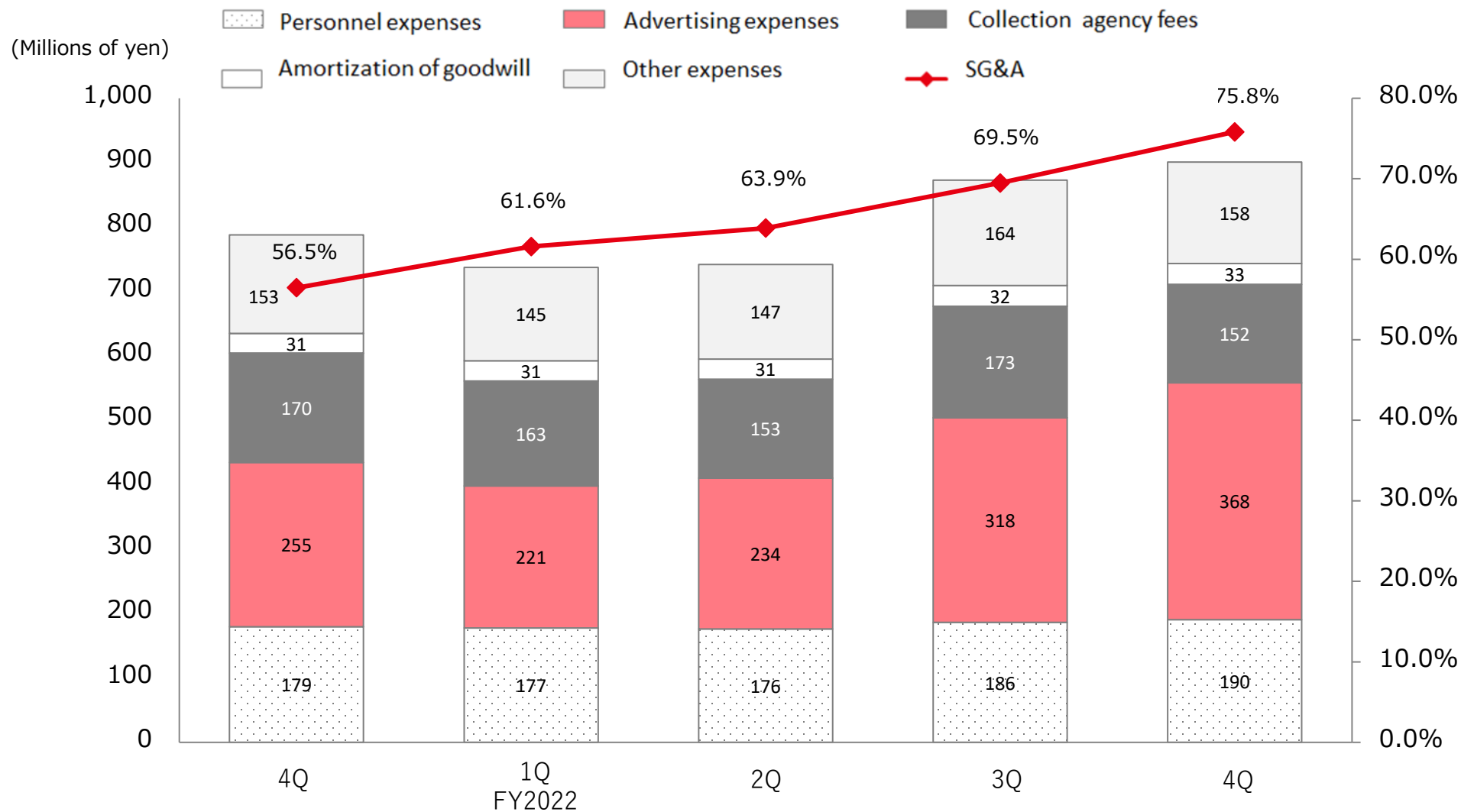
(\*): Although inter-segment transfers do occur, because the amounts are small, the graph above does not include adjustments for inter-segment transfers.

# 05 Consolidated Cost of Sales by Quarter

(Millions of yen)



# 06 Consolidated SG&A by Quarter

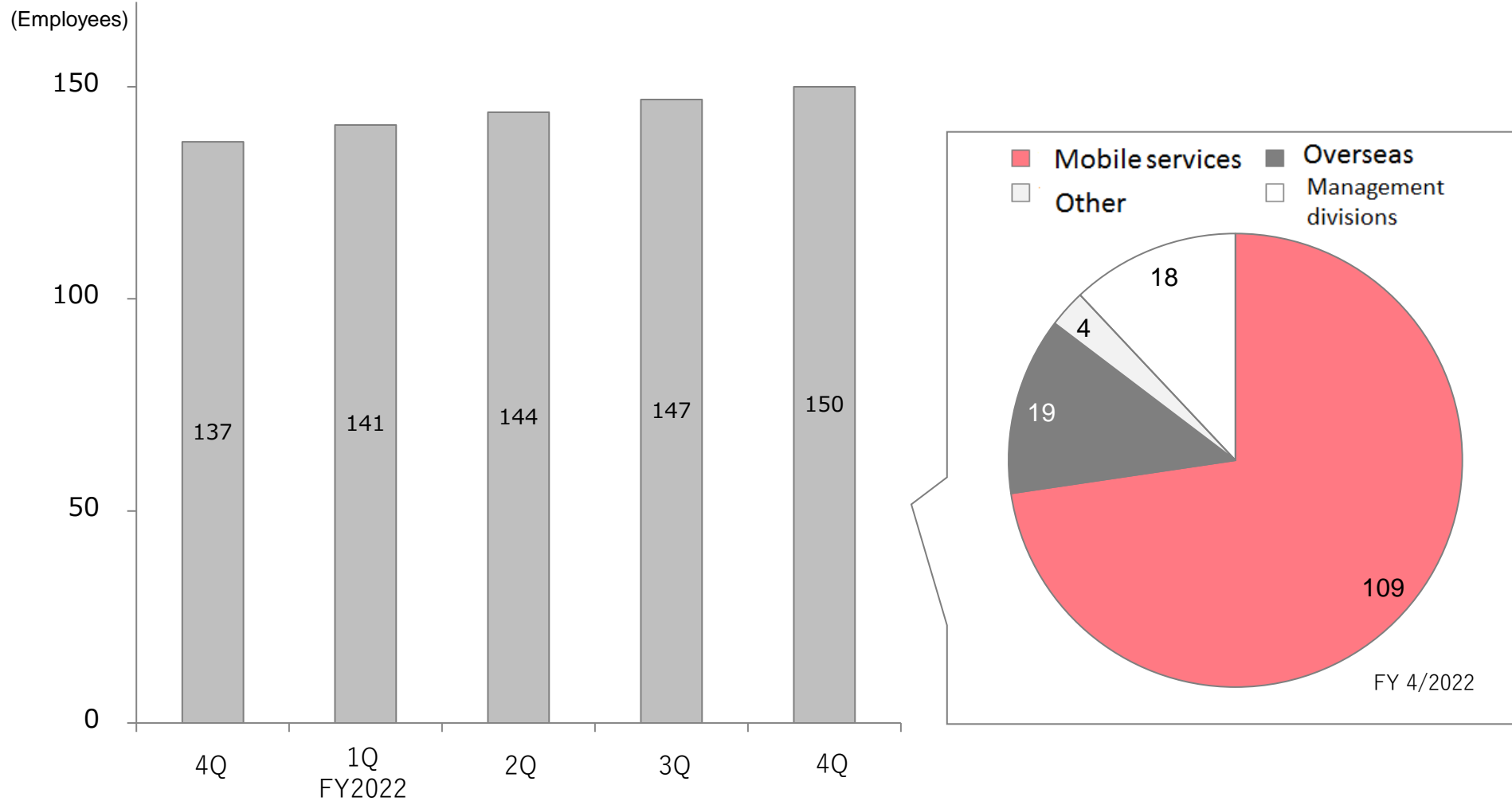


# 07 Consolidated Operating Income by Quarter

(Millions of yen)



# 08 Consolidated Number of Employees by Quarter



(\*1) : The above numbers of employees indicate full-time employees and contract employees only. They do not include junior employees. Employees on leave are also excluded.

## II . Status of Mobile Services

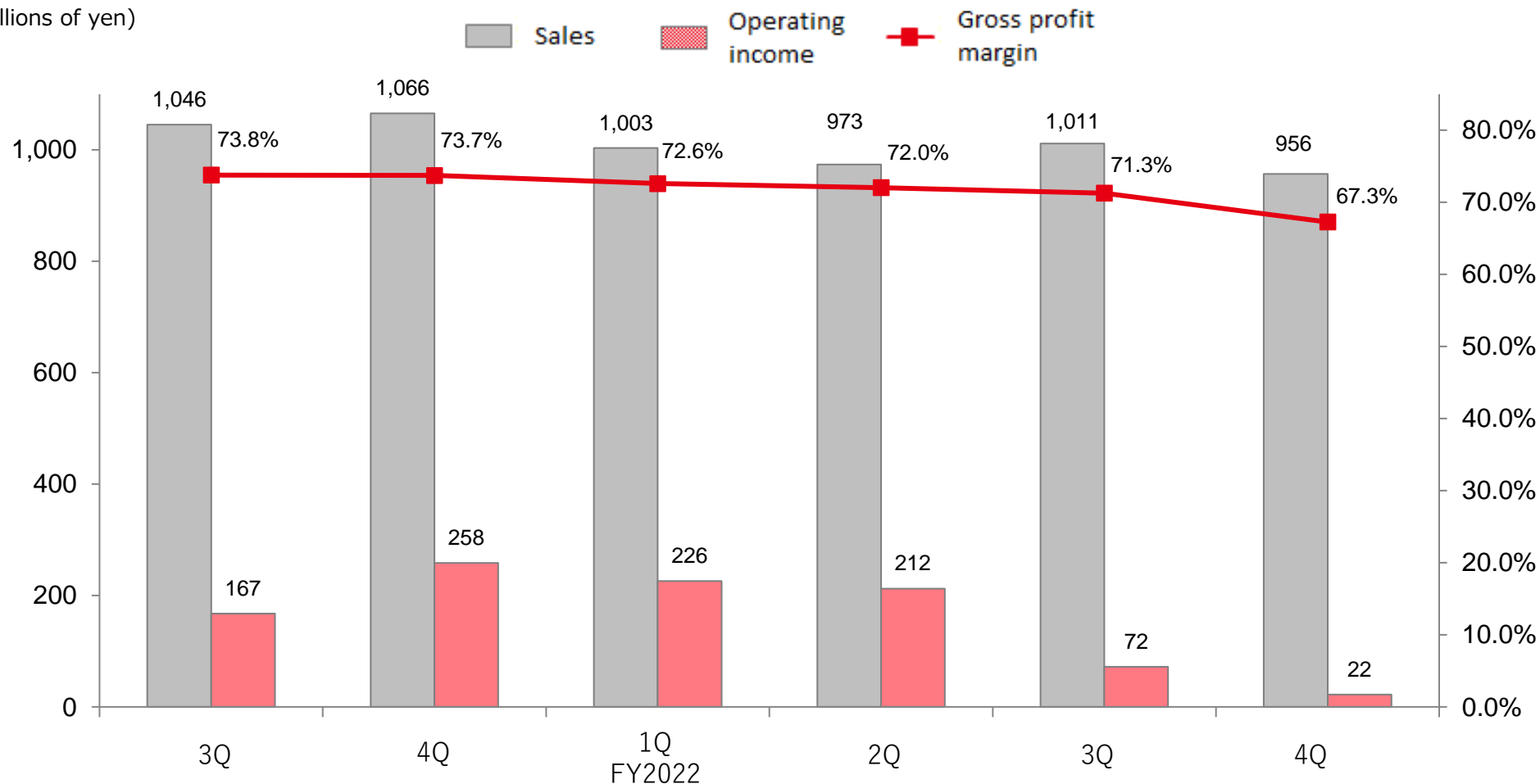
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# 09 Mobile Services Business: Results by Quarter

Operating income dropped, due to the augmentation of advertisement costs for investment in cooperation in production of terrestrial TV programs, etc.

(Millions of yen)



# 10 Mobile Services Business : Comparison with Year on Year Comparison

(Units: Millions yen)		4Q of year ended April 30, 2021	% of sales	4Q of year ended April 30, 2022	% of sales
Sales		3,781	100.0%	3,945	100.0%
Costs	Labor expenses	240	6.3%	262	6.6%
	Royalties	424	11.2%	476	12.1%
	Outsourcing expenses	109	2.9%	137	3.5%
	Other	240	6.3%	274	6.9%
SG&A	Personnel expenses	271	7.2%	297	7.5%
	Advertising expenses	875	23.1%	1,047	26.5%
	Collection agency fees	644	17.0%	667	16.9%
	Other	286	7.6%	248	6.3%
Operating income		688	18.2%	533	13.5%

\*From the term ending Apr. 2022, figures will be compared with those in the previous term instead of those in the previous quarter.

# III. Topics

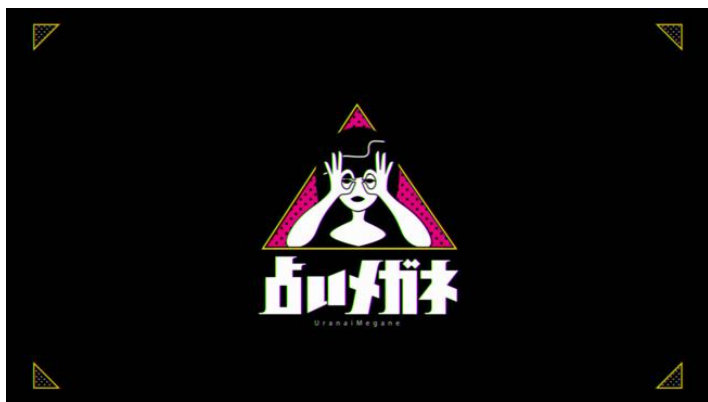
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# 11 TV Program

Cooperation in production of two programs: "Uranai Megane (Fortune-telling Eyeglasses)" of TBS and "Dokomade-Itte-iidesuka? (How much can we unveil?)"

Fortune-tellers belonging to LuckOut of our corporate group appear in these programs.



**Program** "Uranai Megane (Fortune-telling Eyeglasses)"

**TV** Tokyo Broadcasting System Television, Inc.

**URL** <https://www.tbs.co.jp/uranaimegane/>

**Program** "Dokomade-Itte-iidesuka? (How much can we unveil?)"

**TV** TV TOKYO Corporation

**URL** [https://www.tv-tokyo.co.jp/uranai\\_reality/](https://www.tv-tokyo.co.jp/uranai_reality/)

# 12 LuckOut

Fortune-tellers belonging to LuckOut, a talent agency for fortune-tellers, now appear in the media more often.



Magazines targeted at Japanese women feature them.



They often appear in the YouTube tunnels of Japanese entertainers.

# 13 Fortune-telling services for corporations

## Fortune-telling services for corporations are attracting attention.

- The cumulative number of inquiries about fortune-telling services from corporations and municipalities per year increased 140% from the previous term in FY 4/2022.
- We offer various services, including the API-based provision of contents of fortune-telling and psychological tests, the dispatch of fortune-tellers to events, the rental of fortune-telling attractions, the production of original fortune-telling contents, and collaborative products.



(株)cocoloni

<https://uranai-contents.com/>

# IV. Reference Materials

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# 14 Consolidated B/S Summary

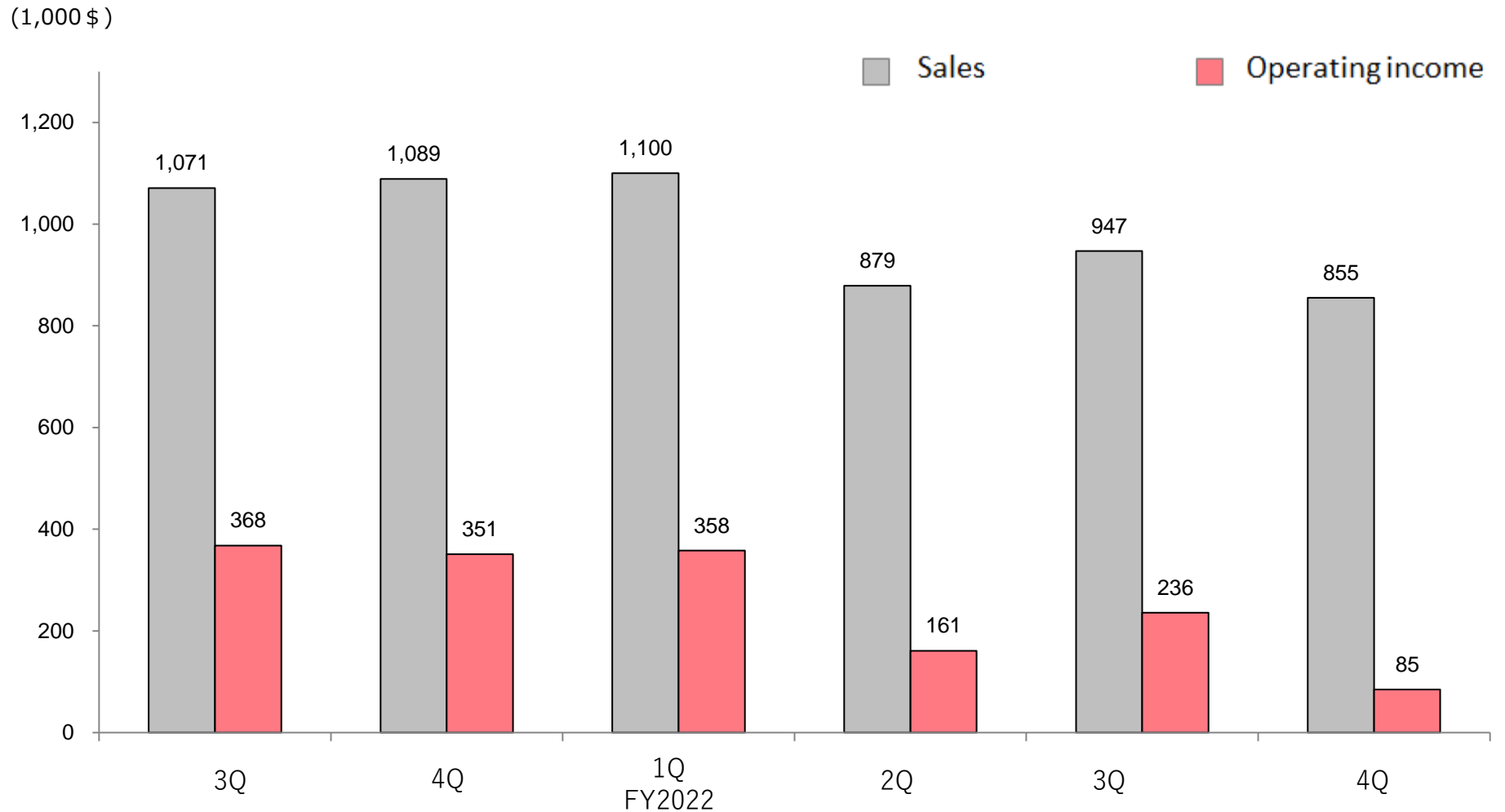
## <Assets>

(Units: Millions yen)	End of year ended April 30, 2021 ①	End of year ended April 30, 2022②	Amount of change (② - ①)
	(Apr. 30, 2021)	(Apr. 30, 2022)	
Cash and cash equivalents	5,405	5,424	19
Accounts receivable	516	566	49
Merchandise and products	64	39	-24
Other	73	261	187
<b>Total current assets</b>	<b>6,061</b>	<b>6,292</b>	<b>231</b>
Total tangible fixed assets	48	85	37
Software	74	54	-19
Goodwill	301	181	-119
Other	11	11	0
Total intangible fixed assets	386	248	-138
Investment securities	423	424	0
Other	234	92	-142
Total investments and other	658	516	-141
<b>Total fixed assets</b>	<b>1,093</b>	<b>850</b>	<b>-243</b>
<b>Total assets</b>	<b>7,154</b>	<b>7,143</b>	<b>-11</b>

## <Liabilities and net assets>

(Units: Millions yen)	End of year ended April 30, 2021 ①	End of year ended April 30, 2022②	Amount of change (② - ①)
	(Apr. 30, 2021)	(Apr. 30, 2022)	
Accounts payable - trade	176	161	-15
Accounts payable - other	158	282	123
Corporate tax payable	55	50	-5
Others	124	108	-15
<b>Total current liabilities</b>	<b>514</b>	<b>602</b>	<b>87</b>
<b>Total fixed liabilities</b>	<b>0</b>	<b>20</b>	<b>19</b>
<b>Total liabilities</b>	<b>515</b>	<b>622</b>	<b>106</b>
Total shareholders' assets	6,472	6,412	-60
Total accumulated other comprehensive income	161	103	-58
<b>Total net assets</b>	<b>6,638</b>	<b>6,520</b>	<b>-118</b>
<b>Total liabilities and net assets</b>	<b>7,154</b>	<b>7,143</b>	<b>-11</b>

# 15 Overseas Business: Results by Quarter



# 16 Company Profile

- Company name ZAPPALLAS, INC.
- Head office PORTAL POINT HARAJUKU ANNEX 3F ,3-51-7 ,Sendagaya , Shibuya-ku , Tokyo
- Established March 2000
- Capital 1,476,340,000 yen (as of Apr. 30, 2022)
- No. of employees 150 (as of Apr. 30, 2022)
- Officials
  - CEO Mari Tamaki (Kawashima)
  - Director Masato Kobayashi
  - Director Masatoshi Mizogami
  - Outside Director Shinichi Misawa
  - Outside Director (Audit and supervisory committee member) Kazuhiko Ueda
  - Outside Director (Audit and supervisory committee member) Masaharu Inoue (attorney)
  - Outside Director (Audit and supervisory committee member) Makoto Tanima (Accountant)

# 17 Shareholders (as of Apr. 30, 2022)

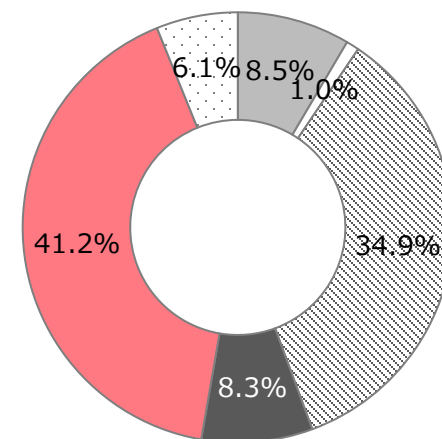
- Shares issued : 13,651,000 / Shareholders : 3,762

## ■ Major shareholders

	Number of stocks	Ratio of stocks %
Mari Kawashima	2,941,835	21.55
UH Partners 2	1,262,900	9.25
HIKARI TSUSHIN	1,083,000	7.93
UH Partners 3	1,001,100	7.33
The Master Trust Bank of Japan, Ltd.	950,500	6.96
BBH FOR FIDELITY PURITAN TR: FIDELITY SR INTRINSIC OPPORTUNITIES FUND	700,000	5.12
Crimsongroup LLC	668,200	4.89
SIL	600,000	4.39
Individual Shareholder	177,100	1.29
Custody Bank of Japan, Ltd.	166,200	1.21

※Treasury stock 836,468 (6.12%)

## ■ Shareholder distribution (percentage ownership)



- Financial institutions
- Financial instruments businesses
- ▨ Other Corporate bodies
- Foreign corporate bodies
- Individuals, other
- ▨ Treasury stock

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## IR Contact

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