Translation

May 13, 2022

Consolidated Financial Results for the Fiscal Year Ended March 31, 2022 <under IFRS>

Company name: PRONEXUS Inc.
Listing: Tokyo Stock Exchange
Stock code: 7893
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Scheduled date of ordinary general meeting of shareholders: June 27, 2022
Scheduled date to commence dividend payments: June 13, 2022
Scheduled date to file Securities Report: June 28, 2022
Preparation of supplementary material on earnings: Yes
Holding of earnings performance review: Yes (for analysts)

(Millions of yen with fractional amounts rounded, unless otherwise noted)

1. Consolidated performance for the fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(1) Consolidated operating results (Percentages indicate year-on-year changes.)

	Revenue		Operating profit		Profit before tax		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2022	26,142	4.6	2,483	16.6	2,624	4.8	1,769	4.3
March 31, 2021	24,997	2.3	2,130	(18.1)	2,503	(8.3)	1,696	(8.5)

	Profit attributable to owners of parent		Total comprehensive income		Basic earnings per share	Diluted earnings per share
Fiscal year ended	Millions of yen	%	Millions of yen	%	Yen	Yen
March 31, 2022	1,763	4.2	2,051	(3.2)	68.18	–
March 31, 2021	1,691	(8.4)	2,119	14.9	62.87	–

	Return on equity attributable to owners of parent	Ratio of profit before tax to total assets	Ratio of operating profit to revenue
Fiscal year ended	%	%	%
March 31, 2022	7.5	7.3	9.5
March 31, 2021	7.4	7.2	8.5

Reference: Share of profit (loss) of investments accounted for using equity method
For the fiscal year ended March 31, 2022: 79 million yen
For the fiscal year ended March 31, 2021: 80 million yen

(2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets	Equity attributable to owners of parent per share
As of	Millions of yen	Millions of yen	Millions of yen	%	Yen
March 31, 2022	35,560	23,453	23,421	65.9	918.12
March 31, 2021	36,337	23,452	23,423	64.5	877.73

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Period-end cash and cash equivalents
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2022	3,843	(1,609)	(2,894)	12,208
March 31, 2021	3,917	(1,339)	(1,660)	12,845

2. Cash dividends

	Annual dividends				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2021	–	17.00	–	16.00	33.00
Fiscal year ended March 31, 2022	–	16.00	–	19.00	35.00
Fiscal year ending March 31, 2023 (Forecast)	–	18.00	–	18.00	36.00

	Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to equity attributable to owners of parent (Consolidated)
	Millions of yen	%	%
Fiscal year ended March 31, 2021	885	52.5	3.9
Fiscal year ended March 31, 2022	893	51.3	3.9
Fiscal year ending March 31, 2023 (Forecast)		51.0	

Note: The second quarter-end dividends for the fiscal year ended March 31, 2021 are 17.00 yen, the total combining the ordinary dividends of 15.00 yen with the 90th anniversary commemorative dividends of 2.00 yen.

3. Consolidated earnings forecasts for the fiscal year 2022 (from April 1, 2022 to March 31, 2023)

(Percentages indicate year-on-year changes.)

	Revenue		Operating profit		Profit before tax		Profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First six months ending September 30, 2022	15,700	2.0	2,800	(2.8)	2,800	(5.3)	1,930	(5.2)	1,930	(5.0)	75.66
Fiscal year ending March 31, 2023	27,000	3.3	2,600	4.7	2,600	(0.9)	1,800	1.8	1,800	2.1	70.56

*** Notes**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None

(2) Changes in accounting policies and changes in accounting estimates
   a. Changes in accounting policies required by IFRS: None
   b. Changes in accounting policies due to other reasons: None
   c. Changes in accounting estimates: None

(3) Number of issued shares (common shares)
   a. Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2022	27,716,688 shares
As of March 31, 2021	28,716,688 shares

   b. Number of treasury shares at the end of the period

As of March 31, 2022	2,207,421 shares
As of March 31, 2021	2,031,321 shares

   c. Average number of shares during the period

For the fiscal year ended March 31, 2022	25,855,870 shares
For the fiscal year ended March 31, 2021	26,898,026 shares

[Reference] Overview of non-consolidated performance

1. Non-consolidated performance for the fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2022	24,450	2.8	1,893	(10.3)	2,595	11.0	1,931	41.1
March 31, 2021	23,785	1.9	2,110	(4.3)	2,338	(0.8)	1,369	(14.9)

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2022	74.67	–
March 31, 2021	50.89	–

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2022	27,454	21,368	77.8	837.67
March 31, 2021	27,838	21,465	77.1	804.39

Reference: Equity

As of March 31, 2022: 21,368 million yen

As of March 31, 2021: 21,465 million yen

＜Reasons for difference between non-consolidated results for the previous fiscal year and the current fiscal year＞

Due to the impact of the recording of a loss on valuation of affiliate of 299 million yen in the previous fiscal year, there is a difference between the actual results in the previous fiscal year and the current fiscal year in terms of profit.

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

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

(Caution regarding forward-looking statements and others)

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to PRONEXUS Inc. (hereinafter the "Company") and on certain assumptions deemed to be reasonable. Consequently, any statements herein do not constitute assurances regarding actual results by the Company. Actual business and other results may differ substantially due to various factors. Please refer to the section of "(4) Future outlook" of "1. Review of operating results and others" on page 5 of [Attached Material] for the suppositions that form the assumptions for earnings forecasts and cautions concerning the use thereof.

(Means of access to contents of supplementary material on earnings and earnings performance review)

The Company is resuming earnings performance review for analysts for the fiscal year ended March 31, 2022. The materials distributed at the earnings performance review and video recording of the review are posted on the Company's website. Furthermore, depending on the future state of COVID-19, we may not hold the briefings in person, and instead upload briefing videos on earnings.

[Attached Material]

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1. Review of operating results and others

(1) Review of operating results for the fiscal year under review

(i) Condition of Japanese economy

During the fiscal year ended March 31, 2022, the Japanese economy showed an overall improvement in corporate performance compared to the previous fiscal year. However, with the spread of COVID-19 variants since the beginning of the year, there was a slowdown in the recovery in personal consumption. Furthermore, with Russia's invasion of Ukraine, the future remains unclear.

In the securities market of Japan, to which the business of the Company is closely linked, the recovery in results for Japanese companies led the Nikkei Stock Average to trend at the 28,000-yen level (24,000-yen level during the same period of the previous fiscal year). However, there is a strong sense of caution over risk factors including U.S. monetary policy and conditions in Ukraine.

(ii) Review of performance

1) Sales performance

In the fiscal year under review, there was a stronger move to enhance information provision to investors driven by revisions to Japan's Corporate Governance Code in June 2021. The securities market of Japan and the J-REIT market also recovered compared to the previous fiscal year, and continued capital inflows into investment trusts led to increased orders for related products. As a result, consolidated revenue in the fiscal year ended March 31, 2022 was 26,142 million yen, an increase of 1,145 million yen, or 4.6%, year on year.

<Listed companies disclosure-related business>

Regarding shareholder convocation notices, one of our mainstay products, in addition to existing efforts to convert notices to color printing and expand the information that they provide, the increased number of individual shareholders led to increased unit prices for orders. Furthermore, with greater needs for operational streamlining, increased revenue in outsourcing services for the preparation of disclosure documents contributed to sales. As a result, revenue of the listed companies disclosure-related business was 11,267 million yen, an increase of 388 million yen, or 3.6%, year on year.

<Listed companies IR-related, etc. business>

Against the backdrop of the response to the revised Corporate Governance Code, orders for English translation services were strong. Orders for visualization services for shareholders' meetings, which contracted due to the COVID-19 pandemic in the previous fiscal year, as well as orders for virtual shareholders' meeting support services, also increased. As a result, revenue of the listed companies IR-related, etc. business was 6,914 million yen, an increase of 514 million yen, or 8.0%, year on year.

<Financial instruments disclosure-related business>

In the market for investment trusts of Japan, capital inflows continued against the backdrop of a recovery in the Japanese and overseas stock markets compared to the previous fiscal year, and orders for various sales promotion tools for investment trusts increased. With increased financing and IPOs following the recovery in the J-REIT market and improved issuance of foreign bonds compared to the previous fiscal year, orders for related products increased. As a result, revenue of the financial instruments disclosure-related business was 6,890 million yen, an increase of 261 million yen, or 3.9%, year on year.

<Database-related business>

In the database-related business, although we received orders from new customers, there were some cancellations and decreases in unit prices during contract renewals for existing customers.

As a result, revenue of the database-related business was 1,071 million yen, a decrease of 18 million yen, or 1.6%, year on year.

Furthermore, to maximize Group synergies, we reorganized the Company's database business by transferring it to our consolidated subsidiary I-N Information Systems, Ltd. through a corporate split-off involving a merger by absorption (May 2021).

Revenue by product areas

(Thousands of yen, with fractional amounts discarded)

	Fiscal year ended March 31, 2021		Fiscal year ended March 31, 2022		Change	
	Amount (Thousands of yen)	Composition ratio (%)	Amount (Thousands of yen)	Composition ratio (%)	Amount (Thousands of yen)	(%)
Listed companies disclosure-related business	10,879,556	43.5	11,267,332	43.1	387,775	3.6
Listed companies IR-related, etc. business	6,399,854	25.6	6,913,985	26.4	514,131	8.0
Financial instruments disclosure-related business	6,629,012	26.5	6,889,936	26.4	260,923	3.9
Database-related business	1,088,152	4.4	1,070,596	4.1	(17,556)	(1.6)
Total	24,996,575	100.0	26,141,848	100.0	1,145,273	4.6

Note: Amounts are based on sales prices.

2) Earnings summary

In the fiscal year under review, revenue increased by 1,145 million yen year on year, with revenue in all product areas other than the database-related business exceeding the previous fiscal year. However, costs of sales rose by 641 million yen year on year mainly due to higher labor costs associated with strengthening service systems and increased outsourcing expenses in response to more orders. The cost-to-sales ratio declined by 0.3 percentage points to 61.4% year on year due to increased revenues. As a result, gross profit was 10,087 million yen, an increase of 504 million yen, or 5.3%, year on year.

Selling, general and administrative expenses amounted to 7,574 million yen, an increase of 412 million yen, or 5.8%, year on year mainly due to a rise in personnel expenses associated with strengthening the sales structure, and the ratio of selling, general and administrative expenses was 29.0%, an increase of 0.3 percentage points year on year. As a result, operating profit was 2,483 million yen, an increase of 353 million yen, or 16.6%, year on year.

As a result of recording finance income of 68 million yen, finance costs of 6 million yen and share of profit of investments accounted for using equity method of 79 million yen, profit before tax was 2,624 million yen, an increase of 120 million yen, or 4.8%, year on year. As a result, profit attributable to owners of parent was 1,763 million yen, an increase of 72 million yen, or 4.2% year on year, exceeding all consolidated earnings forecasts.

Furthermore, for operating profit in the previous fiscal year, 351 million yen in impairment losses were recorded as other expenses at our consolidated subsidiaries due to the impact of COVID-19. Regarding profit before tax in the previous fiscal year, with the acquisition of additional shares in an associate accounted for by the equity method, we recorded 139 million yen in gain on step acquisitions with the company becoming a wholly owned subsidiary.

(2) Review of financial position for the fiscal year under review

At the end of the fiscal year under review, total assets decreased by 777 million yen from the previous fiscal year-end to 35,560 million yen.

Current assets decreased by 496 million yen to 17,529 million yen. The main components included a decrease of 637 million yen in cash and cash equivalents and an increase of 135 million yen in inventories. Non-current assets decreased by 281 million yen to 18,031 million yen. The main components included a decrease of 799 million yen in right-of-use assets and an increase of 528 million yen in other financial assets.

At the end of the fiscal year under review, total liabilities decreased by 778 million yen from the previous fiscal year-end to 12,107 million yen.

Current liabilities decreased by 12 million yen to 6,292 million yen. The main components included an increase of 109 million yen in trade and other payables and a decrease of 110 million yen in other current liabilities. Non-current liabilities decreased by 766 million yen to 5,815 million yen. The main components included a decrease of 788 million yen in lease liabilities.

Equity totaled 23,453 million yen at the end of the fiscal year under review, an increase of 1 million yen from the previous fiscal year-end. The main components included an increase due to the recording of 1,763 million yen in profit attributable to owners of parent, and a decrease due to purchase of treasury shares of 1,215 million yen.

(3) Review of cash flows for the fiscal year under review

The balance of cash and cash equivalents (hereinafter "cash") as of March 31, 2022 amounted to 12,208 million yen, down 637 million yen (down 5.0% year on year) compared with the previous fiscal year-end.

The respective cash flow positions and the factors thereof in the fiscal year under review are as follows.

Cash flows from operating activities

Net cash provided by operating activities was 3,843 million yen (3,917 million yen was provided in the previous fiscal year). As a main breakdown of cash provided, profit before tax was 2,624 million yen, while income from operations after adjustment for non-cash items was 4,695 million yen and interest and dividends received was 46 million yen. As a main breakdown of cash used, income taxes paid totaled 893 million yen.

Cash flows from investing activities

Net cash used in investing activities was 1,609 million yen (1,339 million yen was used in the previous fiscal year). As a main breakdown of cash used, purchase of intangible assets was 1,229 million yen and purchase of investments was 323 million yen.

Cash flows from financing activities

Net cash used in financing activities was 2,894 million yen (1,660 million yen was used in the previous fiscal year). As a main breakdown of cash used, purchase of treasury shares was 1,215 million yen and repayments of lease liabilities was 837 million yen.

(4) Future outlook

(Percentages indicate year-on-year changes.)

Revenue		Operating profit		Profit before tax		Profit attributable to owners of parent		Basic earnings per share
Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
27,000	3.3	2,600	4.7	2,600	(0.9)	1,800	2.1	70.56

(i) Background and factors in fluctuations of revenue projection

Next fiscal year, consolidated revenue is expected to be 27,000 million yen, an increase of 858 million yen year on year. The main factor is that we expect a strong increases in orders in the various product areas other than the database-related business.

Furthermore, the system for providing informational materials for the general meeting of shareholders in electronic format is scheduled to be introduced from the general meetings of shareholders held in March 2023 (for the companies whose fiscal year end in December), but because approximately 65% of the Company's customers have fiscal years ending in March, the impact on the next fiscal year will be minimal.

Revenue by product areas

(Thousands of yen, with fractional amounts discarded)

	Fiscal year ended March 31, 2022		Fiscal year ending March 31, 2023		Change	
	Amount (Thousands of yen)	Composition ratio (%)	Amount (Thousands of yen)	Composition ratio (%)	Amount (Thousands of yen)	(%)
Listed companies disclosure-related business	11,267,332	43.1	11,500,000	42.6	232,668	2.1
Listed companies IR-related, etc. business	6,913,985	26.4	7,300,000	27.0	386,015	5.6
Financial instruments disclosure-related business	6,889,936	26.4	7,150,000	26.5	260,064	3.8
Database-related business	1,070,596	4.1	1,050,000	3.9	(20,596)	(1.9)
Total	26,141,848	100.0	27,000,000	100.0	858,152	3.3

(ii) Background and factors in fluctuations of profits projection

In terms of costs, we expect increases in labor costs and personnel expenses as we are reinforcing our internal structures and human resources in response to increased orders and business area expansion. Furthermore, as we have been carrying out in the fiscal year under review, we will continue our promotion of DX investment targeting the post-COVID-19 world. Moreover, while there were factors in the fiscal year under review, including impairment losses at consolidated subsidiaries and finance income centered on gain on investments in investment partnership, at present, we do not expect these fluctuation factors in our profits projection for the next fiscal year. Therefore, we expect ordinary profit of 2,600 million yen, up 117 million yen year on year, profit before tax of 2,600 million yen, down 24 million yen year on year, and profit attributable to owners of parent of 1,800 million yen, up 37 million yen year on year.

(iii) Relevance to medium-term management plan

The Company has formulated its "New Medium-term Management Plan 2024" covering three years from April 2022 through March 2025. For details on the plan, please refer to the "Notice on the formulation of 'New Medium-term Management Plan 2024'" announced on May 13, 2022.

(5) Basic policy on profit distribution and dividends for fiscal 2021 and fiscal 2022

(i) Dividends

The Company believes that returning profits to shareholders is a vital issue facing company management, and is taking a series of measures corresponding to our belief. The Company's basic dividend policy is to conduct the stable, continuous payment of dividends, taking a comprehensive evaluation of business performance and the business environment into account. The Company's standard for the dividend payout ratio is 50% or higher.

The Company forecasts annual dividends of 35 yen per share for the fiscal year under review with a year-end dividend of 19 yen in addition to the second quarter-end dividend of 16 yen, which has already been paid. This is expected to result in a dividend payout ratio of 51.3%.

Regarding the dividends for the next fiscal year, considering our basic policy based on stable dividends, the Company forecasts an annual dividend of 36 yen, comprising the second quarter-end and year-end dividends of 18 yen each.

(ii) Share buyback for treasury

The Company places importance on share buyback for treasury in consideration that it will contribute to returning profits to shareholders and improving capital efficiency. During the fiscal year under review, the Company purchased 1,176 thousand shares of common shares. Combining the dividends and a share buyback for treasury during the fiscal year ended March 31, 2022, this maintained the total shareholder return ratio at a high level with a ratio of 119.6%.

Furthermore, based on this same intent, the Company cancelled 1,000,000 treasury shares in the fiscal year under review.

(iii) Shareholders benefit program

The Company also operates a shareholders benefit program using QUO prepaid card. The Company has established criteria under which the values of benefits awarded increase in accordance with the number of shares owned and the number of years they were owned.

Number of shares owned	Number of years owned				
	Less than 1 year	1 or more years but less than 3 years	3 or more years but less than 5 years	5 or more years but less than 10 years	10 years or more
100 or more but less than 1,000 shares	¥500	¥1,000	¥1,500	¥2,000	¥3,000
1,000 shares or more	¥1,000	¥3,000	¥5,000	¥7,000	¥10,000

2. Basic concept regarding selection of accounting standards

The Company and its subsidiaries (the "Group") has adopted International Financial Reporting Standards from the fiscal year ended March 31, 2020, to enhance the international comparability and convenience of its financial reporting in capital markets.

3. Consolidated financial statements and significant notes thereto

(1) Consolidated statement of financial position

(Thousands of yen)

	As of March 31, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and cash equivalents	12,845,107	12,207,624
Trade and other receivables	2,585,575	2,572,741
Other financial assets	1,733,522	1,741,441
Inventories	573,928	709,192
Other current assets	286,949	298,205
Total current assets	18,025,083	17,529,204
Non-current assets		
Property, plant and equipment	4,604,780	4,318,258
Right-of-use assets	3,866,695	3,067,975
Goodwill	466,875	472,287
Intangible assets	2,530,475	2,791,080
Investment property	186,322	186,322
Investments accounted for using equity method	763,050	825,274
Other financial assets	4,933,152	5,461,066
Deferred tax assets	918,943	856,831
Other non-current assets	41,529	51,487
Total non-current assets	18,311,822	18,030,581
Total assets	36,336,904	35,559,785

(Thousands of yen)

	As of March 31, 2021	As of March 31, 2022
Liabilities and equity		
Liabilities		
Current liabilities		
Borrowings	56,672	51,652
Lease liabilities	824,803	796,512
Trade and other payables	1,531,750	1,640,755
Income taxes payable	465,438	440,053
Contract liabilities	674,124	721,538
Other current liabilities	2,751,141	2,641,318
Total current liabilities	6,303,927	6,291,828
Non-current liabilities		
Borrowings	301,652	300,000
Lease liabilities	3,106,445	2,318,794
Retirement benefit liability	2,523,647	2,570,536
Provisions	191,390	204,329
Other non-current liabilities	457,429	421,061
Total non-current liabilities	6,580,563	5,814,721
Total liabilities	12,884,490	12,106,549
Equity		
Share capital	3,058,651	3,058,651
Capital surplus	4,691,776	4,694,634
Treasury shares	(2,082,303)	(2,269,362)
Other components of equity	721,958	941,708
Retained earnings	17,032,541	16,994,938
Total equity attributable to owners of parent	23,422,622	23,420,568
Non-controlling interests	29,792	32,668
Total equity	23,452,414	23,453,236
Total liabilities and equity	36,336,904	35,559,785

(2) Consolidated statement of profit or loss and consolidated statement of comprehensive income

(Consolidated statement of profit or loss)

(Thousands of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Revenue	24,996,575	26,141,848
Cost of sales	(15,413,739)	(16,055,057)
Gross profit	9,582,836	10,086,791
Selling, general and administrative expenses	(7,161,710)	(7,574,083)
Other income	82,220	74,646
Other expenses	(373,203)	(104,484)
Operating profit	2,130,143	2,482,870
Finance income	163,205	68,340
Finance costs	(8,775)	(6,414)
Share of profit of investments accounted for using equity method	79,721	78,770
Revaluation gain on step acquisition	139,122	–
Profit before tax	2,503,416	2,623,567
Income tax expense	(807,140)	(855,052)
Profit	1,696,276	1,768,515
Profit attributable to		
Owners of parent	1,691,145	1,762,748
Non-controlling interests	5,131	5,767
Profit	1,696,276	1,768,515
Earnings per share		
Basic earnings per share (Yen)	62.87	68.18
Diluted earnings per share (Yen)	–	–

(Consolidated statement of comprehensive income)

(Thousands of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Profit	1,696,276	1,768,515
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	352,716	189,981
Remeasurements of defined benefit plans	48,919	62,893
Total of items that will not be reclassified to profit or loss	401,635	252,874
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	21,087	29,666
Total of items that may be reclassified to profit or loss	21,087	29,666
Other comprehensive income, net of tax	422,722	282,540
Comprehensive income	2,118,998	2,051,055
Comprehensive income attributable to		
Owners of parent	2,113,549	2,045,321
Non-controlling interests	5,449	5,734
Comprehensive income	2,118,998	2,051,055

(3) Consolidated statement of changes in equity

Fiscal year ended March 31, 2021

(Thousands of yen)

	Equity attributable to owners of parent					
				Other components of equity		
	Share capital	Capital surplus	Treasury shares	Exchange differences on translation of foreign operations	Financial assets measured at fair value through other comprehensive income	Remeasure-ments of defined benefit plans
Balance as of April 1, 2020	3,058,651	4,683,596	(3,801,143)	(14,370)	362,561	–
Profit						
Other comprehensive income				21,051	352,716	48,637
Total comprehensive income	–	–	–	21,051	352,716	48,637
Purchase of treasury shares			(289,014)			
Cancellation of treasury shares			2,007,854			
Dividends						
Changes in ownership interest in subsidiaries		8,180				
Transfer from other components of equity to retained earnings						(48,637)
Total transactions with owners	–	8,180	1,718,840	–	–	(48,637)
Balance as of March 31, 2021	3,058,651	4,691,776	(2,082,303)	6,681	715,277	–

	Equity attributable to owners of parent			Non-controlling interests	Total
	Other components of equity	Retained earnings	Total		
	Total				
Balance as of April 1, 2020	348,191	18,162,035	22,451,330	54,911	22,506,241
Profit	–	1,691,145	1,691,145	5,131	1,696,276
Other comprehensive income	422,404		422,404	318	422,722
Total comprehensive income	422,404	1,691,145	2,113,549	5,449	2,118,998
Purchase of treasury shares	–		(289,014)		(289,014)
Cancellation of treasury shares	–	(2,007,854)	–		–
Dividends	–	(861,422)	(861,422)		(861,422)
Changes in ownership interest in subsidiaries	–		8,180	(30,569)	(22,389)
Transfer from other components of equity to retained earnings	(48,637)	48,637	–		–
Total transactions with owners	(48,637)	(2,820,639)	(1,142,257)	(30,569)	(1,172,826)
Balance as of March 31, 2021	721,958	17,032,541	23,422,622	29,792	23,452,414

Fiscal year ended March 31, 2022

(Thousands of yen)

	Equity attributable to owners of parent					
				Other components of equity		
	Share capital	Capital surplus	Treasury shares	Exchange differences on translation of foreign operations	Financial assets measured at fair value through other comprehensive income	Remeasure-ments of defined benefit plans
Balance as of April 1, 2021	3,058,651	4,691,776	(2,082,303)	6,681	715,277	–
Profit						
Other comprehensive income				29,770	189,981	62,823
Total comprehensive income	–	–	–	29,770	189,981	62,823
Purchase of treasury shares			(1,215,119)			
Cancellation of treasury shares			1,028,060			
Dividends						
Changes in ownership interest in subsidiaries		2,858				
Transfer from other components of equity to retained earnings						(62,823)
Total transactions with owners	–	2,858	(187,059)	–	–	(62,823)
Balance as of March 31, 2022	3,058,651	4,694,634	(2,269,362)	36,450	905,258	–

	Equity attributable to owners of parent			Non-controlling interests	Total
	Other components of equity	Retained earnings	Total		
	Total				
Balance as of April 1, 2021	721,958	17,032,541	23,422,622	29,792	23,452,414
Profit	–	1,762,748	1,762,748	5,767	1,768,515
Other comprehensive income	282,574		282,574	(33)	282,540
Total comprehensive income	282,574	1,762,748	2,045,321	5,734	2,051,055
Purchase of treasury shares	–		(1,215,119)		(1,215,119)
Cancellation of treasury shares	–	(1,028,060)	–		–
Dividends	–	(835,114)	(835,114)		(835,114)
Changes in ownership interest in subsidiaries	–		2,858	(2,858)	–
Transfer from other components of equity to retained earnings	(62,823)	62,823	–		–
Total transactions with owners	(62,823)	(1,800,351)	(2,047,375)	(2,858)	(2,050,233)
Balance as of March 31, 2022	941,708	16,994,938	23,420,568	32,668	23,453,236

(4) Consolidated statement of cash flows

(Thousands of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from operating activities		
Profit before tax	2,503,416	2,623,567
Depreciation and amortization	1,962,130	2,019,712
Impairment losses	350,554	56,183
Finance income	(163,205)	(68,340)
Finance costs	8,775	6,414
Share of loss (profit) of investments accounted for using equity method	(79,721)	(78,770)
Revaluation loss (gain) on step acquisition	(139,122)	–
Decrease (increase) in inventories	(53,943)	(136,422)
Decrease (increase) in trade and other receivables	113,926	7,509
Increase (decrease) in trade and other payables	124,553	112,503
Increase (decrease) in retirement benefit liability	90,091	99,897
Increase (decrease) in accrued consumption taxes	265,835	(8,668)
Other	(24,308)	61,648
Subtotal	4,958,983	4,695,233
Interest and dividends received	56,299	45,976
Interest paid	(8,323)	(6,121)
Income taxes paid	(1,089,501)	(892,581)
Net cash provided by (used in) operating activities	3,917,459	3,842,507
Cash flows from investing activities		
Payments into time deposits	(73,003)	(229,760)
Proceeds from withdrawal of time deposits	556,005	233,410
Purchase of property, plant and equipment	(448,451)	(153,847)
Purchase of intangible assets	(1,213,085)	(1,228,648)
Purchase of investments	(359,700)	(322,932)
Proceeds from sale and redemption of investments	100,000	–
Proceeds (payments) for obtaining of control of subsidiaries	(231,157)	–
Other	330,148	93,207
Net cash provided by (used in) investing activities	(1,339,242)	(1,608,569)
Cash flows from financing activities		
Proceeds from long-term borrowings	300,000	–
Repayments of long-term borrowings	(6,672)	(6,672)
Repayments of lease liabilities	(781,306)	(837,477)
Purchase of treasury shares	(289,014)	(1,215,119)
Dividends paid	(860,906)	(834,593)
Payments for acquisition of interests in subsidiaries from non-controlling interests	(22,389)	–
Net cash provided by (used in) financing activities	(1,660,287)	(2,893,861)
Net increase (decrease) in cash and cash equivalents	917,929	(659,924)
Cash and cash equivalents at beginning of period	11,910,898	12,845,107
Effect of exchange rate changes on cash and cash equivalents	16,280	22,440
Cash and cash equivalents at end of period	12,845,107	12,207,624

(5) Notes to consolidated financial statements

(Notes on premise of going concern)

No items to report

(Segment information)

As the Group consists of a single business segment, the disclosure-related business, this information is omitted.

(Per share information)

The basis of calculating basic earnings per share is as follows:

		Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Profit attributable to owners of parent	(Thousands of yen)	1,691,145	1,762,748
Weighted average number of common shares outstanding	(Shares)	26,898,026	25,855,870
Basic earnings per share	(Yen)	62.87	68.18

Note: Diluted earnings per share is not presented because there were no dilutive potential shares.

(Significant subsequent events)

No items to report