Note: This document has been translated from Japanese original for reference purposes only. Some sentences have been machine translated. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

February 13,2025

(Delayed)Consolidated Financial Results for the Nine Months Ended December 31, 2024 (Japanese GAAP)

Company name:	e-Seikatsu Co., Ltd.	Listing:	Standard, Tokyo Stock Exchange
Securities code:	3796	URL:	https://www.e-seikatsu.info/
Representative:	President and CEO	Zenichi Maeno	
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Scheduled date to commence dividend payment: -

Preparation of supplementary materials on quarterly financial results: Yes

Holding of financial results briefing: Yes For institutional investors and analysts

(Yen amounts are rounded down to the nearest millions)

1.Consolidated financial results for the Nine months ended December 31, 2024 (April 1, 2024 to December 31, 2024)

(1) Consolidated Operating Results (cumulative)

(Percentage indicate year-on-year changes.)

	Net sales		EBITDA		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Nine months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2024	2,223	8.4	343	△26.8	△54	-	△42	-	△36	-
December 31, 2023	2,051	4.0	468	△2.5	110	△25.2	138	△6.8	88	△5.3

Note: Comprehensive Income For the Nine months ended December 31, 2024 △36Millions of yen (- %)

For the Nine months ended December 31, 2023 88Millions of yen (△5.3%)

Note: EBITDA (operating profit+ depreciation expenses) is disclosed as a useful comparative indicator for our group's performance.

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2024	△5.26	-
December 31, 2023	12.78	-

(2) Consolidated Financial Position

	Total assets	Net Assets	Equity-to-asset ratio	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2024	2,393	1,875	78.4	271.75
As of March 31, 2024	2,540	1,946	76.6	282.08

Reference: Equity As of December 31, 2024 1,875 Millions of yen
As of March 31, 2024 1,946 Millions of yen

2.Cash dividends

	Dividend per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal Year Ended March 31, 2024	-	0.00	-	5.00	5.00
Fiscal Year Ended March 31, 2025	-	0.00	-		
Forecast for Fiscal Year Ended March 31, 2025				5.00	5.00

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

3.Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2025 (April 1, 2024 to March 31, 2025)

(Percentage indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share attributable to owners of the parent
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	3,011	7.2	△36	-	△42	-	△28	-	△4.15

Reference: EBITDA 504 Millions of yen (YonY △21.2%)

Note: EBITDA (operating profit+ depreciation expenses) is disclosed as a useful comparative indicator for our group's performance.

Note: Revisions to the consolidated earnings forecasts most recently announced: Yes.

Notes

(1) Significant changes in the scope of consolidation during the period: None

(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.

1) Changes in accounting policies due to revisions to accounting standards and other regulations: None
2) Changes in accounting policies due to other reasons: None
3) Changes in accounting estimates: None
4) Restatement: None

(4) Number of Shares Issued (Common shares)

1) Total number of issued shares at the end of the period (including treasury shares)	As of December 31,2024	7,280,700 Shares	As of March 31,2024	7,280,700 Shares
2) Number of treasury shares at the end of the period	As of December 31,2024	379,323 Shares	As of March 31,2024	379,299 Shares
3) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)	Nine months ended December 31,2024	6,901,380 Shares	Nine months ended December 31,2023	6,901,401 Shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: Yes (voluntary)

* Proper use of earnings forecasts, and other special matters

Supplementary materials on quarterly financial results will be disclosed by TDnet on February 13, 2025, and will be posted on our website on the same day

(Financial results briefing For institutional investors and analysts)
Date and time: **Thursday, February 13, 2025, starting at 4:00 pm JST**
(Explanation: 40 minutes, Q&A: approx. 20 minutes)
Method of holding: Online briefing (Zoom webinar)
Attendees: Executive Vice President and CFO Hiroyuki Shiokawa

(How to participate)
To participate, please register in advance at the URL below. After completing the registration, we will send you a viewing URL to your registered email address.

Pre-registration: https://us02web.zoom.us/webinar/register/WN_XxKrErq7QpWtdkPzkAS02w

(IR briefing for individual investors)
Date and time: **Wednesday, February 19, 2025, starting at 6:30 pm JST**
(Explanation: 40 minutes, Q&A: approx. 20 minutes)
Method of holding: Online briefing (Zoom webinar)
Attendees: Executive Vice President and CFO Hiroyuki Shiokawa

(How to participate)
To participate, you must register in advance by Tuesday, February 18, 2025. Please go to the pre-registration page at the URL below and fill in the necessary information. A viewing URL will be sent to your registered email address by the day before the event.

Pre-registration: https://us02web.zoom.us/webinar/register/WN_inGHXeZLTGqhFo1LXBxpng

Table of Contents of Attachments

1. Overview of Financial Results 6
(1) Earnings 7
(2) Financial position 9
(3) Outlook 11
2. Quarterly Consolidated Financial Statements and Major Notes 13
(1) Quarterly Consolidated Balance Sheets 13
(2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statement of Comprehensive Income 15
Quarterly Consolidated statements of income Consolidated Year-to-Date 15
Quarterly Consolidated Statement of Comprehensive Income Consolidated Year-to-Date 16
(3) Quarterly Consolidated Statement of Cash Flows 17
(4) Notes to Quarterly Consolidated Financial Statements 18
Segment information, etc 18
Notes in Cases of Significant Changes in the Amount of Shareholders' Equity 18
Notes to assumptions for ongoing concerns 18

1. Overview of Financial Results

Sales grew 8.4% YOY, but are not expected to reach initial expectations for the full year, and full-year earnings forecasts revised

<Highlights of the third quarter results and recent topics for the fiscal year ending March 2025>

- With the completion of implementation support projects for enterprise customers, the acquisition of new customers, and progress in upselling and cross-selling to existing customers, sales increased 8.4% YOY to 2,223 million yen (an increase of 171 million yen).
- As a result of investments in expanding human capital, which was a priority item for this fiscal year, cost of sales was 1,052 million yen (an increase of 20.6% or 179 million yen YOY), and selling, general and administrative expenses were 1,225 million yen (an increase of 14.7% or 157 million yen YOY),and overall expenses are expected to be roughly in line with initial expectations for this quarter and for the full year.
- On the other hand, the man-hours and time required for the implementation support projects that make up solution sales have increased, especially for large-scale projects, and as a result of investing sales and implementation support resources in strengthening the support system for customers' locations nationwide in preparation for the start of operations, other sales growth has fallen short of initial expectations, and full-year sales are expected to fall short of the initial earnings forecast.
- As a result of the above, the operating loss for this quarter was 54 million yen (a decrease of 165 million yen from the same period last year), and since the full-year earnings forecast is also expected to fall short of the initial earnings forecast, we have revised the full-year earnings forecast.

<About IR information (financial results presentation materials, etc.)>
For financial results presentation materials for the third quarter of the fiscal year ending March 2025 and the most recent results (monthly sales trends), please visit our IR information website.

IR information website: https://www.e-seikatsu.info/IR/

(1) Earnings

In the cumulative business results for the Quarterly (April 1, 2024 to December 31, 2024), Net Sales was 2,223,047 thousand yen (a 8.4% increase YOY), EBITDA was 343,112 thousand yen (a 26.8% decrease YOY), operating loss was 54,544 thousand yen (operating profit 110,863 thousand yen in the same period of the previous year), ordinary loss was 42,614 thousand yen (ordinary profit 138,183 thousand yen in the same period of the previous year), and the loss attributable to owners of parent was 36,284 thousand yen (the profit attributable to owners of parent 88,202 thousand yen in the same period of the previous year).

Summary of Consolidated Results	Nine months ended December 31, 2023	Nine months ended December 31, 2024	Year-on-year change	
	(thousand yen)	(thousand yen)	Difference (thousand yen)	Rate of change (%)
Net sales	2,051,184	2,223,047	171,862	8.4
EBITDA	468,827	343,112	△125,715	△26.8
Operating profit	110,863	△54,544	△165,408	-
Ordinary profit	138,183	△42,614	△180,798	-
Profit attributable to owners of parent	88,202	△36,284	△124,487	-

With the aim of realizing our mission of "Create many ‘good life’ for others with technology and heart.", we have established a vision of "Create society where comfortable life circulates.". Based on this vision, we develop systems and applications to resolve various issues in the real estate business and the real estate market, and offer these systems as SaaS(Software as a Service), a subscription(Recurring billing model) based service. Through this, we are developing businesses that support digital transformation (DX) in the real estate business.

For the third quarter of fiscal 2025 ended December 31, 2024, sales were 2,223,047 thousand yen (up 8.4% YOY), an increase of 171,862 thousand yen from the same period last year.

Subscription sales continued to be strong due to the acquisition of new customers and upselling/cross-selling to existing customers. Subscription sales was 1,893,619 thousand yen (up 4.4% YOY), an increase of 79,670 thousand yen from the same period last year.

The number of subscription customers reached 1,563 as of the end of the third quarter (1,507 in the same period of the previous year), and the ARPU (*1 & *2) in December was approximately 137,000 yen (136,300 yen in the same period of the previous year).

Solution sales increased to 329,427 thousand yen (up 38.9% YOY), an increase of 92,192 thousand yen from the same period last year, due to the completion of several additional development and implementation support projects for our SaaS for specific customers that were ongoing from the previous period.

*1 : "the average revenue per user" Current month subscription sales is divided by the number of subscription customers for the current month, and the figures are rounded down to the nearest 100 yen.
*2 : Some sales based on ancillary transactions will be presented as "subscription sales" instead of "solution sales" from the fiscal year ending March 2025. In accordance with this change, sales figures for the fiscal year ending March 2024 have been reclassified based on the same policy.

The breakdown of net sales is as follows.

Item details	Nine months ended December 31, 2023		Nine months ended December 31, 2024		Year-on-year change	
	Sales (thousands of yen)	Percentage of total	Sales (thousands of yen)	Percentage of total	Difference (thousand yen)	Percentage change (%)
Subscription (Note 1)	1,813,949	88.4	1,893,619	85.2	79,670	4.4
Solution (Note 2)	237,235	11.6	329,427	14.8	92,192	38.9
Total	2,051,184	100.0	2,223,047	100.0	171,862	8.4

(Note 1). Subscription: Revenue earned continuously on a monthly basis unless customers apply for cancellation, including monthly charges for SaaS service and Recurring sales based on the operation support contract after the introduction of SaaS . They are our Monthly Recurring Revenue (MRR).
(Note 2). Solutions : Revenue earned from other services, including fees for initial setting, system installation and operation support on spot , commissioned development of system, and sale or introduction of other companies' services as an agency.
(Note 3). Some sales based on ancillary transactions will be presented as "subscription sales" instead of "solution sales" from the fiscal year ending March 2025. In accordance with this change, sales figures for the fiscal year ending March 2024 have been reclassified based on the same policy.

Due to a significant increase in salary levels across the Group and investment in human capital, such as active recruitment of new graduates, labor costs, recruitment-related expenses, training expenses, etc. related to development activities increased. In addition, depreciation expenses increased due to an increase in intangible fixed assets due to new development and functional expansion of SaaS. In addition, the transfer of work in progress to cost of sales increased due to the completion of the additional development and implementation support project for the introduction of our SaaS, which had been ongoing since the previous period. As a result of the above, cost of sales was 1,052,417 thousand yen (up 20.6% YOY).

In addition to the increase in personnel expenses and recruitment-related expenses for sales activities due to the expansion of human capital investment mentioned above, we also made investments in marketing and inside sales to strengthen lead (prospective customer) acquisition, as well as investments in strengthening the functionality of internal systems such as customer management SaaS, resulted in selling, general and administrative expenses of 1,225,174 thousand yen (up 14.7% YOY).

As a result, EBITDA for the third quarter was 343,112 thousand yen (down 26.8% YOY), a decrease of 125,715 thousand yen from the same period last year. Operating loss was 54,544 thousand yen (operating profit 110,863 thousand yen in the same period of the previous year), a decrease of 165,408 thousand yen.

In addition, forward exchange contracts are used to reduce foreign exchange risks associated with transactions denominated in U.S. dollars, and the recent quarterly yen appreciation resulted in foreign exchange loss related to these contracts as non-operating loss. As a result, ordinary loss was 42,614 thousand yen (ordinary profit 138,183 thousand yen in the same period of the previous year), a decrease of 180,798 thousand yen.

Since the Group's reporting segment is the single segment of the "Cloud Solution Business," segment performance is omitted.

(2) Financial Position

① Assets

The Assets as of the end of the third quarter were 2,393,348 thousand yen, a decrease of 147,250 thousand yen from the end of the previous consolidated fiscal year.

The Current Assets balance was 659,480 thousand yen, a decrease of 278,542 thousand yen from the end of the previous consolidated fiscal year. This is attributable to a decrease in cash and deposits of 317,941 thousand yen, etc.

The balance of Non-Current Assets increased by 131,291 thousand yen from the end of the previous consolidated fiscal year to 1,733,867 thousand yen. The main factors behind this increase were an increase of 107,515 thousand yen in software, etc.

② Liabilities

Total liabilities at the end of the third quarter were 517,931 thousand yen, a decrease of 75,948 thousand yen from the end of the previous consolidated fiscal year.

The balance of current liabilities was 515,151 thousand yen, a decrease of 75,918 thousand yen from the end of the previous consolidated fiscal year. The main factors behind the decrease were a decrease of 46,733 thousand yen in income taxes payable, a decrease of 42,253 thousand yen in provision for bonuses, etc.

The balance of long-term liabilities was 2,779 thousand yen, a decrease of 30 thousand yen from the end of the previous consolidated fiscal year.

③ Net assets

The balance of net assets at the end of the third quarter were 1,875,417 thousand yen, a decrease of 71,302 thousand yen from the end of the previous consolidated fiscal year. This is attributable to a decrease in retained earnings of 35,002 thousand yen due to the implementation of dividends, and a decrease of 36,284 thousand yen due to the recording of loss attributable to owners of parent, etc.

④ Cash Flow

The balance of cash and cash equivalents as of the end of the third quarter of the current consolidated fiscal year was 421,430 thousand yen, a decrease of 317,941 thousand yen from the end of the previous consolidated fiscal year. Cash flows and their major factors are as follows.

(Cash flows from operating activities)

Cash flows from operating activities were 236,250 thousand yen (452,099 thousand yen in the same period of the previous year). The main sources of income are depreciation of 397,657 thousand yen.

The main expenditure factors were an income taxes paid of 54,793 thousand yen, loss before income taxes of 44,191 thousand yen, a decrease in provision for bonuses of 42,253 thousand yen, etc.

(Cash flows from investing activities)

Net cash used in investing activities were 520,778 thousand yen, (494,701 thousand yen in the same period of the previous year). The expenditure were 484,630 thousand yen for acquisitions of intangible Non-Current Assets relating to the new development and functional expansion of SaaS.

(Cash flows from financing activities)

Net cash used in financing activities were 34,682 thousand yen, (34,476 thousand yen in the same period of the previous year). The source was Cash dividends paid amounted to 34,667 thousand yen.

(3) Outlook

Based on recent performance trends, we have revised consolidated forecast for the fiscal year ending March 31, 2025 published on May 14, 2024. The revisions are as follows.

	Net Sales	Operating Profit	Ordinary Profit	Profit attributable to owners of parent	Basic earnings per share
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Yen
Previous forecast(A)	3,119	100	99	67	9.72
Revised forecast(B)	3,011	△36	△42	△28	△4.15
Change(B-A)	△108	△136	△141	△95	
Percentage change(%)	△3.5	―	―	―	
(Ref.)Previous results(Period ending March 2024)	2,808	176	208	146	21.17

(Ref.) EBITDA FY2025 Previous forecast: 640 million yen Revised forecast: 504 million yen (△21.2%)
(Note) EBITDA (operating profit+ depreciation expenses) is disclosed as a useful comparative indicator for our group's performance.

While cost of sales and selling, general and administrative expenses are expected to progress roughly in line with initial expectations, net sales are expected to fall short of initial expectations, and as a result, operating profit, ordinary profit and profit attributable to owners of parent are also expected to fall short of initial business forecasts.
Regarding additional development and implementation support projects, which constitute solution sales, there has been a trend for the scale of clients and projects to become larger, the requirements to become more complex, and the duration to become longer, and some projects have taken longer than initially expected in terms of both man-hours and duration. Although these projects for enterprise clients have now been completed, the increased man-hours and prolonged duration of the projects have exceeded expectations, resulting in the accumulation of temporary costs.
In addition, in anticipation of the business stability of major real estate rental management companies and the steady increase in monthly usage fee revenues after operations begin, the Company has prioritized allocating its internal sales and implementation support resources to strengthening its support system for client locations nationwide in preparation for the start of operations for this project. As a result, other sales growth is expected to be lower than expected.
As a result of the above, net sales are expected to fall short of initial expectations.
On the other hand, with regard to investment in human capital, which was a focus of our efforts this fiscal year, onboarding of additional personnel is progressing smoothly, and as a result, we are reviewing various outsourcing partners. Even taking into account the increased costs associated with the prolongation of some of the additional development and implementation support projects mentioned above, overall expenses are expected to remain roughly in line with our initial projections.
As a result of the above, net sales, operating profit, ordinary profit, and profit attributable to owners of parent are expected to fall short of forecasts. As the fluctuations from the forecasts for operating profit, ordinary profit, and profit attributable to owners of parent are more than 30%, we have revised the business forecasts.

In regard to expanding human capital, which was a priority for the fiscal year ending March 2025, we have implemented measures to expand human capital, which is essential for strengthening our competitiveness in the medium to long term, such as achieving an average wage increase of more than 10% across the Group, attracting and retaining talent by raising overall salary levels, expanding in-house training, and flexibly allocating personnel.
In order to attract talented people to our company and acquire and retain people who can make a difference, it is unavoidable to invest in human capital in the form of increasing salary levels, and we also need to secure the necessary human resources in advance. This means that expenses are expected to be in advance for the fiscal year ending March 2025, but as a result, we expect to accelerate the expansion of our business by achieving continuous sales growth of more than 10% going forward.
In addition, as for the project to promote the introduction of our SaaS to major real estate rental management companies and to support smooth system operation, which was our focus during this fiscal year, the project that had been ongoing since the previous fiscal year has now been mostly completed. We are also receiving steady inquiries from potential customers, and we expect to continue to receive orders in the future.
With regard to supporting these enterprise (large corporate) customers in implementing and running our SaaS, we have begun efforts to further shorten project periods, and our CTO has committed to making improvements to functions that will help shorten the time required for data migration/data verification to our SaaS, as well as making the knowledge and know-how gained from previous implementation support projects explicit and universal. These will be key areas of focus going forward.
The SaaS provided by our group can quickly provide the latest functional upgrades in response to legal amendments etc. via the Internet, which is an optimal system for the real estate industry, which aims for digital transformation in response to change. Based on the above outlook, we will continue to develop our business to achieve our mission and vision.

2. Quarterly Consolidated Financial Statements and Major Notes

(1) Quarterly Consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2024	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	739,371	421,430
Notes and accounts receivable - trade, and contract assets	61,362	66,101
Work in process	59,132	68,258
Prepaid expenses	61,167	66,316
Forward exchange contracts	—	8,038
Other	18,544	31,655
Allowance for doubtful accounts	△1,554	△2,319
Total current assets	938,023	659,480
Non-current assets		
Property, plant and equipment		
Facilities attached to buildings	56,565	67,029
Accumulated depreciation	△45,745	△43,087
Facilities attached to buildings, net	10,820	23,942
Tools, furniture and fixtures	168,841	177,861
Accumulated depreciation	△142,223	△146,698
Tools, furniture and fixtures, net	26,618	31,162
Construction in progress	424	-
Total property, plant and equipment	37,862	55,105
Intangible assets		
Trademark right	1,048	961
Software	1,230,431	1,337,946
Software in progress	158,003	158,127
Total intangible assets	1,389,483	1,497,035
Investments and other assets		
Golf club membership	42,000	42,000
Leasehold and guarantee deposits	74,855	74,676
Long-term prepaid expenses	31,007	25,284
Deferred tax assets	27,365	39,765
Total investments and other assets	175,229	181,726
Total non-current assets	1,602,575	1,733,867
Total assets	2,540,599	2,393,348

(Thousands of yen)

	As of March 31, 2024	As of December 31, 2024
Liabilities		
Current liabilities		
Accounts payable - other	135,837	134,468
Income taxes payable	52,963	6,230
Advances received	301,298	294,790
Deposits received	13,418	29,900
Provision for bonuses	59,600	17,347
Other	27,952	32,414
Total current liabilities	591,069	515,151
Non-current liabilities		
Guarantee Deposited	2,809	2,779
Total non-current liabilities	2,809	2,779
Total liabilities	593,879	517,931
Net assets		
Shareholders' equity		
Share capital	628,411	628,411
Capital surplus	718,179	718,179
Retained earnings	738,729	667,441
Treasury shares	△138,600	△138,614
Total shareholders' equity	1,946,719	1,875,417
Total net assets	1,946,719	1,875,417
Total liabilities and net assets	2,540,599	2,393,348

(2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statement of Comprehensive Income

(Quarterly Consolidated Statement of Income)

(Thousands of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Net sales	2,051,184	2,223,047
Cost of sales	872,616	1,052,417
Gross profit	1,178,568	1,170,630
Selling, general and administrative expenses	1,067,704	1,225,174
Operating profit (loss)	110,863	△54,544
Non-operating income		
Interest income	6	55
Foreign exchange gains	26,910	11,640
Miscellaneous income	188	102
Commission income	389	251
Gain on forfeiture of unclaimed dividends	277	332
Total non-operating income	27,772	12,382
Non-operating expenses		
Interest expenses	0	-
Commission expenses	452	452
Total non-operating expenses	452	452
Ordinary profit (loss)	138,183	△42,614
Extraordinary losses		
Loss on retirement of non-current assets	0	1,577
Total extraordinary losses	0	1,577
Profit (loss) before income taxes	138,183	△44,191
Income taxes - current	35,783	4,493
Income taxes - deferred	14,197	△12,399
Total income taxes	49,981	△7,906
Profit (loss)	88,202	△36,284
Profit (loss) attributable to owners of parent	88,202	△36,284

(Quarterly Consolidated Statement of Comprehensive Income)

(Thousands of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Profit (loss)	88,202	△36,284
Comprehensive income	88,202	△36,284
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	88,202	△36,284

(3) Quarterly Consolidated Statement of Cash Flows

(Thousands of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Cash flows from operating activities		
Profit (loss) before income taxes	138,183	△44,191
Depreciation	357,963	397,657
Loss on retirement of non-current assets	0	1,577
Foreign exchange losses (gains)	△9,332	△9,307
Increase (decrease) in allowance for doubtful accounts	324	764
Increase (decrease) in provision for bonuses	△33,703	△42,253
Interest and dividend income	△6	△55
Interest expenses	0	-
Decrease (increase) in trade receivables	19,406	△4,739
Decrease (increase) in inventories	△44,868	△9,125
Increase (decrease) in accounts payable - other	19,141	△1,259
Increase (decrease) in advances received	101,572	△6,508
Increase (decrease) in accrued consumption taxes	△10,236	4,543
Increase (decrease) in guarantee deposits received	—	△30
Other, net	2,394	3,916
Subtotal	540,840	290,988
Interest and dividends received	6	55
Interest paid	△0	-
Income taxes paid	△88,747	△54,793
Net cash provided by (used in) operating activities	452,099	236,250
Cash flows from investing activities		
Purchase of property, plant and equipment	△11,914	△34,786
Purchase of intangible assets	△482,700	△484,630
Proceeds from refund of leasehold and guarantee deposits	—	97
Payments of leasehold and guarantee deposits	△87	△1,458
Net cash provided by (used in) investing activities	△494,701	△520,778
Cash flows from financing activities		
Purchase of treasury shares	—	△14
Dividends paid	△34,476	△34,667
Net cash provided by (used in) financing activities	△34,476	△34,682
Effect of exchange rate change on cash and cash equivalents	1,401	1,268
Net increase (decrease) in cash and cash equivalents	△75,676	△317,941
Cash and cash equivalents at beginning of period	806,971	739,371
Cash and cash equivalents at end of period	731,294	421,430

(4) Notes to Quarterly Consolidated Financial Statements

(Segment information, etc)

As the Group has a single segment, the cloud solutions business, description has been omitted.

(Notes in Cases of Significant Changes in the Amount of Shareholders' Equity)

There are no applicable items.

(Notes to assumptions for ongoing concerns)

There are no applicable items.