

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	–	0.00	–	0.00	0.00
Fiscal year ending March 31, 2022	–	0.00			
Fiscal year ending March 31, 2022 (Forecast)			–	0.00	0.00

Note: Revisions to the cash dividend forecasts most recently announced: None

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

As it is difficult to make assumptions about the business environment on which the consolidated earnings forecasts are based, the consolidated earnings forecasts for the full year for the fiscal year ending March 31, 2022 are not determined.

Note: Revisions to the consolidated earnings forecasts most recently announced: None

* Notes

- (1) Changes in significant subsidiaries during the six months under review (changes in specified subsidiaries resulting in change in scope of consolidation): None
- (2) Application of special accounting for preparing quarterly consolidated financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements after error corrections
 - a. Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
 - b. Changes in accounting policies due to other reasons: None
 - c. Changes in accounting estimates: None
 - d. Restatement of prior period financial statements after error corrections: None

(4) Number of shares issued (common shares)

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

As of September 30, 2021	48,675,100 shares
As of March 31, 2021	48,675,100 shares

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

As of September 30, 2021	1,757,262 shares
As of March 31, 2021	1,757,262 shares

- c. Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2021	46,917,838 shares
Six months ended September 30, 2020	46,889,281 shares

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

* Proper use of earnings forecasts, and other special matters

Forward-looking statements, including the consolidated forecasts stated in these materials, are based on information currently available to the Company and certain assumptions deemed reasonable. Consequently, any statements herein do not constitute assurances regarding actual results by the Company. Actual business and other results may differ materially due to various factors.

Quarterly consolidated financial statements

(1) Consolidated balance sheet

(Thousands of yen)

	As of March 31, 2021	As of September 30, 2021
Assets		
Current assets		
Cash and deposits	7,507,254	4,866,604
Notes and accounts receivable - trade	2,741,754	2,360,479
Accounts receivable - other	1,154,849	740,545
Other	842,395	567,526
Allowance for doubtful accounts	(581,667)	(347,537)
Total current assets	11,664,585	8,187,617
Non-current assets		
Property, plant and equipment	-	53,588
Intangible assets	-	617,273
Investments and other assets	1,903,296	1,734,751
Total non-current assets	1,903,296	2,405,614
Total assets	13,567,882	10,593,231
Liabilities		
Current liabilities		
Notes and accounts payable - trade	143,539	55,565
Income taxes payable	57,599	5,486
Provision for bonuses	247,272	245,046
Provision for point card certificates	158,979	30,563
Accounts payable - other	1,482,069	1,040,018
Asset retirement obligations	111,738	26,160
Deposits received	1,675,578	984,588
Other	147,280	361,866
Total current liabilities	4,024,059	2,749,294
Non-current liabilities		
Asset retirement obligations	167,531	167,885
Other	900	900
Total non-current liabilities	168,431	168,785
Total liabilities	4,192,490	2,918,080
Net assets		
Shareholders' equity		
Share capital	2,334,300	100,000
Deposits for subscriptions of shares	-	500,147
Capital surplus	2,884,780	5,119,080
Retained earnings	8,745,156	6,505,047
Treasury shares	(4,646,756)	(4,646,756)
Total shareholders' equity	9,317,480	7,577,518
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(6,308)	(6,627)
Foreign currency translation adjustment	(20,477)	5,863
Total accumulated other comprehensive income	(26,786)	(763)
Share acquisition rights	84,698	98,396
Total net assets	9,375,392	7,675,151
Total liabilities and net assets	13,567,882	10,593,231

(2) Consolidated statement of income and consolidated statement of comprehensive income
Consolidated statement of income (cumulative)

(Thousands of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Net sales	5,824,118	6,105,077
Cost of sales	3,466,933	2,450,866
Gross profit	2,357,184	3,654,211
Selling, general and administrative expenses	7,287,717	5,824,908
Operating loss	(4,930,532)	(2,170,696)
Non-operating income		
Gain on sales of supplies	2,387	21,606
Dividend income	3,026	5,814
Other	8,257	15,469
Total non-operating income	13,671	42,890
Non-operating expenses		
Commitment fees	9,384	48,539
Foreign exchange losses	1,720	583
Total non-operating expenses	11,105	49,122
Ordinary loss	(4,927,965)	(2,176,929)
Extraordinary income		
Gain on sale of investment securities	92,500	-
Gain on sale of businesses	37,443	-
Total extraordinary income	129,943	-
Extraordinary losses		
Loss on valuation of investment securities	117,322	54,057
Total extraordinary losses	117,322	54,057
Net loss before income taxes	(4,915,344)	(2,230,986)
Income taxes	531,140	9,121
Net loss	(5,446,485)	(2,240,108)
Net loss attributable to owners of parent	(5,446,485)	(2,240,108)

Consolidated statement of comprehensive income (cumulative)

(Thousands of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Net loss	(5,446,485)	(2,240,108)
Other comprehensive income		
Valuation difference on available-for-sale securities	256,801	(318)
Foreign currency translation adjustment	(12,159)	26,340
Total other comprehensive income	244,641	26,022
Comprehensive income	(5,201,843)	(2,214,086)
Comprehensive income attributable to:		
Owners of parent	(5,201,843)	(2,214,086)

(3) Consolidated statement of cash flows

(Thousands of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Cash flows from operating activities		
Net loss before income taxes	(4,915,344)	(2,230,986)
Depreciation and amortization	940,196	34,318
Amortization of goodwill	-	649
Increase (decrease) in allowance for doubtful accounts	264,695	(234,129)
Increase (decrease) in provision for bonuses	(587,296)	(2,226)
Increase (decrease) in provision for point card certificates	(71,743)	(128,416)
Loss (gain) on sale of investment securities	(92,500)	-
Loss (gain) on valuation of investment securities	117,322	54,057
Loss (gain) on sale of businesses	(37,443)	-
Decrease (increase) in trade receivables	1,746,243	383,113
Decrease (increase) in inventories	190,303	69,107
Increase (decrease) in trade payables	(42,393)	(87,974)
Increase (decrease) in contract liabilities	-	139,658
Decrease (increase) in advances paid	16,394	2,895
Increase (decrease) in advances received	(34,219)	(15,772)
Decrease (increase) in prepaid expenses	(324,119)	(22,358)
Decrease (increase) in accounts receivable - other	(230,221)	544,088
Increase (decrease) in accounts payable - other	617,274	(378,159)
Increase (decrease) in deposits received	(37,671)	(690,990)
Increase (decrease) in accrued consumption taxes	(371,535)	77,535
Other, net	(81,246)	140,209
Subtotal	(2,933,304)	(2,345,380)
Interest and dividends received	4,086	8,293
Income taxes paid	(430,527)	(36,267)
Net cash provided by (used in) operating activities	(3,359,745)	(2,373,354)
Cash flows from investing activities		
Payments for acquisition of businesses	-	(13,000)
Purchase of investment securities	(140,000)	-
Proceeds from sale of investment securities	137,500	-
Purchase of property, plant and equipment	(217,497)	(125,380)
Payments for asset retirement obligations	-	(131,638)
Proceeds from sale of businesses	27,448	-
Purchase of software	(259,130)	(622,212)
Payments of leasehold and guarantee deposits	(13,967)	(6,608)
Proceeds from refund of leasehold and guarantee deposits	1,128	104,637
Net cash provided by (used in) investing activities	(464,517)	(794,201)
Cash flows from financing activities		
Proceeds from deposit for subscriptions to shares	-	500,147
Dividends paid	(187,126)	(131)
Net cash provided by (used in) financing activities	(187,126)	500,015
Effect of exchange rate change on cash and cash equivalents	(10,158)	26,890
Net increase (decrease) in cash and cash equivalents	(4,021,547)	(2,640,650)
Cash and cash equivalents at beginning of period	11,653,173	7,507,254
Cash and cash equivalents at end of period	7,631,625	4,866,604