

## SUMMARY OF CONSOLIDATED FINANCIAL RESULTS for the Fiscal Period Ended December 31, 2021 <Japanese GAAP>

February 14, 2022

Company name: Kaizen Platform, Inc.

Stock exchange listings:

Tokyo Stock Exchange

Securities code: 4170 URL: <https://kaizenplatform.com/ir/>

Representative: Kenji Sudo  
Chief Executive Officer

Contact: Hidenao Asai  
Manager, Finance Division

Tel: 03-5909-1151

Scheduled date of annual shareholders' meeting:

March 29, 2022

Scheduled date to commence dividend payments:

-

Scheduled date to file securities report:

March 30, 2022

Supplementary materials for financial results

Yes

Holding of financial results briefing session:

Yes

(Amounts are rounded down to the nearest million yen)

### 1. Consolidated Financial Results for the Fiscal Period Ended December 31, 2021 (January 1, 2021 - December 31, 2021)

#### (1) Consolidated operating results

(Percentages indicate period-on-period changes)

| Period ended      | Sales       |      | Operating profit |      | Ordinary profit |   | Net income attributable to parent company shareholders |   |
|-------------------|-------------|------|------------------|------|-----------------|---|--|---|
|                   | Million yen | %    | Million yen      | %    | Million yen     | % | Million yen  | % |
| December 31, 2021 | 2,260       | 34.0 | 45               | 95.6 | (25)            | - | (101)  | - |
| December 31, 2020 | 1,686       | 24.5 | 23               | -    | 36              | - | 107  | - |

(Note) Comprehensive profit:

Period ended December 31, 2021: 1 million yen (-97.7%)

Period ended December 31, 2020: 53 million yen (-%)

| Period ended      | Net income per share | Diluted net income per share | Return on shareholders' equity | Return on asset | Operating profit margin |
|-------------------|----------------------|------------------------------|--------------------------------|-----------------|-------------------------|
|                   | Yen                  | Yen                          | %                              | %               | %                       |
| December 31, 2021 | (6.41)               | -                            | (3.3)                          | (0.7)           | 2.0                     |
| December 31, 2020 | 13.84                | 11.30                        | 5.4                            | 1.5             | 1.4                     |

(Reference) Equity method investment gain:

Period ended December 31, 2021: (14) million yen

Period ended December 31, 2020: (5) million yen

(Note) Diluted net income per share for the fiscal period ended December 31, 2021 is not shown due to the net loss per share, although dilutive shares exist.

#### (2) Consolidated financial position

| As of             | Total assets | Net assets  | Equity ratio | Net assets per share |
|-------------------|--------------|-------------|--------------|----------------------|
|                   | Million yen  | Million yen | %            | Yen                  |
| December 31, 2021 | 4,357        | 3,348       | 75.3         | 200.58               |
| December 31, 2020 | 3,388        | 2,854       | 84.2         | 185.05               |

(Reference) Shareholders' equity:

As of December 31, 2021: 3,282 million yen

As of December 31, 2020: 2,854 million yen

#### (3) Consolidated cash flow

| Period ended      | Cash flow from operating activities | Cash flow from investing activities | Cash flow from financing activities | Cash and cash equivalents at end of period |
|-------------------|-------------------------------------|-------------------------------------|-------------------------------------|--|
|                   | Million yen                         | Million yen                         | Million yen                         | Million yen                                |
| December 31, 2021 | 16                                  | (580)                               | 852                                 | 3,006                                      |
| December 31, 2020 | 120                                 | (265)                               | 1,886                               | 2,660                                      |

### 2. Dividends

|  | Annual dividend per share |        |        |          |       | Dividends (total) | Payout ratio (consolidated) | Dividends to net assets (consolidated) |
|--|---------------------------|--------|--------|----------|-------|-------------------|-----------------------------|--|
|  | 1Q-end                    | 2Q-end | 3Q-end | Year-end | Total |                   |                             |  |
|  | Yen                       | Yen    | Yen    | Yen      | Yen   | Million yen       | %                           | %                                      |
| Fiscal period ended December 31, 2020            | -                         | 0.00   | -      | 0.00     | 0.00  | -                 | -                           | -                                      |
| Fiscal period ended December 31, 2021            | -                         | 0.00   | -      | 0.00     | 0.00  | -                 | -                           | -                                      |
| Fiscal period ended December 31, 2022 (forecast) | -                         | 0.00   | -      | 0.00     | 0.00  |                   | -                           |  |

3. Consolidated Earnings Forecast for the Fiscal Period Ended December 31, 2022 (January 1, 2022 ~ December 31, 2022)

(Percentages indicate period-on-period changes)

| Full year | Sales       |      | EBITDA      |      | Operating profit |     | Ordinary profit |   | Net income attributable to parent company shareholders |   | Net income per share |
|-----------|-------------|------|-------------|------|------------------|-----|-----------------|---|--|---|----------------------|
|           | Million yen | %    | Million yen | %    | Million yen      | %   | Million yen     | % | Million yen  | % | Yen                  |
|           | 3,000       | 32.7 | 250         | 12.8 | 50               | 9.4 | 10              | - | 0  | - | 0.00                 |

(Notes) EBITDA = Operating profit + Depreciation + Amortization of goodwill

\*Notes

- (1) Changes in significant subsidiaries during the current fiscal year (changes in specified subsidiaries resulting in changes in scope of consolidation): None  
(Changes in specified subsidiaries resulting in changes in scope of consolidation)  
Newly consolidated companies (--) Newly excluded companies (--)  
(Note) Although it does not fall under changes in specified subsidiaries, the acquisition of shares in D-ZERO CO., LTD. resulted in that company being included in the scope of consolidation from the fiscal period ended December 31, 2021.
- (2) Changes in accounting policies, changes in accounting estimates and retroactive restatements
  - 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) Retroactive restatements: None
- (3) Total number of issued and outstanding shares (common stock)
  - 1) Total number of issued shares at the end of the period (including treasury shares)
 

|                         |                   |
|-------------------------|-------------------|
| As of December 31, 2021 | 16,364,681 shares |
| As of December 31, 2020 | 15,424,473 shares |
  - 2) Total number of treasury shares at the end of the period
 

|                         |          |
|-------------------------|----------|
| As of December 31, 2021 | - shares |
| As of December 31, 2020 | - shares |
  - 3) Average number of shares during the period
 

|                                |                   |
|--------------------------------|-------------------|
| Period ended December 31, 2021 | 15,858,934 shares |
| Period ended December 31, 2020 | 7,759,012 shares  |

(Reference) Non-consolidated operating results

1. Non-consolidated Financial Results for the Fiscal Period Ended December 31, 2021 (January 1, 2021 - December 31, 2021)

(1) Non-consolidated operating results

(Percentages indicate period-on-period changes)

| Period ended      | Sales       |      | Operating profit |   | Ordinary profit |   | Net income  |   |
|-------------------|-------------|------|------------------|---|-----------------|---|-------------|---|
|                   | Million yen | %    | Million yen      | % | Million yen     | % | Million yen | % |
| December 31, 2021 | 2,050       | 24.5 | (35)             | - | (89)            | - | (126)       | - |
| December 31, 2020 | 1,646       | 26.7 | (49)             | - | (35)            | - | 36          | - |

| Period ended      | Net income per share | Diluted net income per share |
|-------------------|----------------------|------------------------------|
|                   | Yen                  | Yen                          |
| December 31, 2021 | (7.95)               | -                            |
| December 31, 2020 | 4.66                 | 3.80                         |

(Note) Diluted net income per share for the fiscal period ended December 31, 2021 is not stated because there was a net loss per share, although dilutive shares exist.

(2) Non-consolidated financial position

| Period ended      | Total assets | Net assets  | Equity ratio | Net assets per share |
|-------------------|--------------|-------------|--------------|----------------------|
|                   | Million yen  | Million yen | %            | Yen                  |
| December 31, 2021 | 4,225        | 2,428       | 57.5         | 148.36               |
| December 31, 2020 | 3,655        | 2,121       | 58.0         | 137.53               |

(Reference) Shareholders' equity

|                                |                   |
|--------------------------------|-------------------|
| Period ended December 31, 2021 | 2,427 million yen |
| Period ended December 31, 2020 | 2,121 million yen |

\* This earnings report is not subject to audit by certified public accountants or accounting firms.

\* Cautionary statement regarding forecasts of operating results and special notes

Forward-looking statements and earnings forecasts presented in this material are based on information currently available to the Company as of the date hereof along with certain assumptions that are deemed to be reasonable. Furthermore, actual business results may differ materially due to various factors. Furthermore, such statements and forecasts do not guarantee the Company's operating performance. For assumptions regarding the forward-looking statements and a disclaimer concerning the use of earnings forecasts, please refer to "1. Summary of Operating Results Assumptions (4) Future Outlook" on page 3 of the appendix in the Japanese original.