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February 14, 2022

Consolidated Financial Results for the Nine Months Ended December 31, 2021 (Under Japanese GAAP)

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 Listing: Tokyo Stock Exchange
 Securities code: 7091
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(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the Nine Months Ended December 31, 2021

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Revenue		Operating income		Ordinary income		Net income attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended								
December 31, 2021	8,431	26.2	409	-	573	-	343	-
December 31, 2020	6,679	19.5	130	△40.4	△13	-	△16	-

Note: Comprehensive income

As of December 31, 2021: 343 millions of yen
 As of March 31, 2021: △16 millions of yen

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Fiscal year ended		
December 31, 2021	76.39	75.89
December 31, 2020	△11.02	-

Note: 1. The Company conducted a three-for-one stock split of common stock effective on October 1, 2021. Therefore, total number of issued shares (common shares) is calculated on the assumption that the said stock split was conducted at the beginning of the previous fiscal year.

2. Diluted earnings per share is not disclosed because it is anti-dilutive due to the Company's net loss position.

(2) Consolidated financial position

	Total assets	Net assets (Total equity)	Capital ratio, Owner's equity to total assets
	Millions of yen	Millions of yen	%
As of			
December 31, 2021	10,993	1,368	12.5
March 31, 2021	8,949	1,127	12.6

Reference: Total Equity

As of December 31, 2021: 1,368 millions of yen
 As of March 31, 2021: 1,127 millions of yen

2. Cash dividends

	Annual dividends 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, 2021	-	0.00	-	0.00	0.00
Fiscal year ended March 31, 2022	-	0.00	-		
Fiscal year ending March 31, 2022 (Forecast)				0.00	0.00

Note: Revision to the forecast on dividends: No

3. Consolidated Financial Result Forecasts for the Fiscal Year Ending March 31, 2022

(Percentages indicate year-on-year changes.)

Fiscal year ending	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	
March 31, 2022	10,996	20.4	523	137.4	627	158.6	411	622.5	91.61

Note: Revision to the forecast on financial results: No

Notes

(1) Significant changes in scope of consolidation (changes in scope of consolidation of specified subsidiaries): None

Newly consolidated: None

Excluded from consolidation: None

(2) Changes in accounting policies and accounting estimates

[1] Changes in accounting policies required: Yes

[2] Changes in accounting policies other than those in [1]: No

[3] Changes in accounting estimates: No

(3) Number of issued shares (common stock)

[1] Number of shares issued (including treasury stock)

As of December 31, 2021 4,489,500 shares

As of March 31, 2021 4,599,000 shares

[2] Number of shares of treasury stock

As of December 31, 2021 236 shares

As of March 31, 2021 111,000 shares

[3] Average number of shares outstanding during the period

Nine months ended December 31, 2021 4,500,545 shares

Nine months ended December 31, 2020 4,488,000 shares

Note: The Company conducted a three-for-one stock split of common stock effective on October 1, 2021. Therefore, total number of issued shares (common shares) is calculated on the assumption that the said stock split was conducted at the beginning of the previous fiscal year.

* This consolidated financial report is not subject to audit by certified public accountants or an audit firm.

* Explanation on the proper use of the forecast on financial results and other notes Descriptions that refer to future events are estimated based on the information that the Company has obtained at the present point in time and assumptions which are deemed to be reasonable. However, actual results may significantly differ from these forecasts due to various factors.

Consolidated Financial Statements

Consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2021	As of December 31, 2021
ASSETS		
Current assets		
Cash and deposits	1,588,687	2,053,042
Notes and accounts receivable-trade	1,311,443	1,494,414
Raw materials and supplies	3,438	4,806
Prepaid expenses	17,280	22,335
Other current assets	214,305	283,883
Other	194,909	262,672
Total current assets	3,330,063	4,121,154
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,380,190	2,318,530
Vehicles, net	13,414	7,429
Tools, furniture and fixtures, net	91,918	87,840
Land	1,187,711	1,554,945
Lease assets, net	539,336	513,864
Construction in progress	—	297,724
Other, net	32,682	30,840
Total property, plant and equipment	4,245,254	4,811,174
Intangible assets		
Goodwill	53,773	860,576
Software	4,963	18,198
Other	58,356	56,679
Total intangible assets	117,092	935,454
Investments and other assets		
Investment securities	54,215	99,903
Long-term loans receivable	330,025	29,520
Long-term prepaid expenses	31,105	28,726
Deferred tax assets	75,848	74,845
Guarantee deposits	558,277	695,969
Other	207,556	197,225
Total investments and other assets	1,257,027	1,126,191
Total non-current assets	5,619,375	6,872,821
Total assets	8,949,439	10,993,975

(Thousands of yen)

	As of March 31, 2021	As of December 31, 2021
Liabilities		
Current liabilities		
Short-term borrowings	708,000	945,835
Current portion of long-term borrowings	664,653	718,129
Lease obligations	22,357	26,516
Accounts payable – other	388,145	261,860
Accrued expenses	452,762	626,772
Income taxes payable	41,719	224,883
Unearned revenue	229,842	249,797
Withholdings	32,794	125,490
Provision for bonuses	73,219	22,585
Other	25,199	48,182
Total current liabilities	2,638,695	3,250,053
Non-current liabilities		
Long-term borrowings	3,535,683	4,606,370
Long-term advance received	442,153	488,357
Lease obligations	666,515	649,183
Retirement benefit liability	147,607	181,231
Deferred tax liability	5,577	–
Other	385,835	450,023
Total non-current liabilities	5,183,372	6,375,165
Total liabilities	7,822,067	9,625,219
Net assets		
Shareholders' equity		
Capital surplus	357,070	357,757
Capital surplus	1,370,569	1,297,257
Retained earnings	△526,267	△285,817
Treasury shares	△74,000	△440
Total shareholders' equity	1,127,371	1,368,756
Total net assets	1,127,371	1,368,756
Total liabilities and net assets	8,949,439	10,993,975

Consolidated Statements of Income (cumulative) and Consolidated Statements of Comprehensive Income (cumulative) Consolidated Statements of Income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Net sales	6,679,724	8,431,908
Cost of sales	5,982,854	7,420,592
Gross profit	696,869	1,011,316
Selling, general and administrative expenses	566,750	602,296
Operating profit	130,118	409,019
Non-operating income		
Interest income	1,913	1,988
Subsidy income	44,722	376,768
Other	24,499	33,285
Total non-operating income	71,135	412,041
Non-operating expenses		
Interest expenses	80,137	86,991
Non-deductible consumption taxes	133,470	154,780
Other	1,267	5,676
Total non-operating expenses	214,874	247,449
Ordinary profit (loss)	△13,620	573,611
Extraordinary income		
Reversal of reserve for retirement benefit liability	407	—
Gain on donation of cash	54,830	10,757
Total extraordinary income	55,238	10,757
Extraordinary losses		
Loss on disposal of property	0	—
Loss on impairment	—	14,819
Total extraordinary losses	0	14,819
Profit before income taxes	41,617	569,548
Income taxes - current	25,334	230,347
Income taxes – differed	32,767	△4,575
Total income taxes	58,102	225,771
Profit (loss)	△16,484	343,776
Profit (loss) attributable to owners of parent	△16,484	343,776

Consolidated Statements of Comprehensive Income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Profit (loss)	△16,484	343,776
Comprehensive income	△16,484	343,776
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	△16,484	343,776