

Non-consolidated Financial Results for the Year Ended December 31, 2021 [Japanese GAAP]



February 14, 2022

Company name: ProjectCompany, Inc.
 Stock exchange listing: Tokyo Stock Exchange
 Code number: 9246
 URL: <https://projectcompany.co.jp/>
 Representative: Yunosuke Doi, Representative Director and President
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 Scheduled date of ordinary general meeting of shareholders: March 29, 2022
 Scheduled date of commencing dividend payments: —
 Scheduled date of filing securities report: March 30, 2022
 Availability of supplementary explanatory materials on financial results: Available
 Schedule of financial results briefing session: Scheduled (for institutional investors and analysts)

(Amounts of less than one million yen are rounded down.)

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

(1) Operating Results (% indicates changes from the previous fiscal year.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended								
December 31, 2021	2,139	93.6	510	190.0	502	194.7	359	215.6
December 31, 2020	1,104	66.4	176	382.4	170	443.0	113	480.3

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
Fiscal year ended					
December 31, 2021	69.58	64.55	28.0	26.1	23.9
December 31, 2020	23.96	—	33.4	21.1	15.9

(Reference) Share of profit (loss) of entities accounted for using equity method

As of December 31, 2021: ¥— million

As of December 31, 2020: ¥— million

- (Notes)
1. The Company conducted a 10-for-1 stock split on June 2, 2021. Basic earnings per share and diluted earnings per share were calculated assuming that the stock split was conducted at the beginning of the fiscal year ended December 31, 2020.
 2. The Company was listed on the Tokyo Stock Exchange Mothers market on September 29, 2021, so the diluted earnings per share for the fiscal year ended December 31, 2021 were calculated by using the average share value for the period from the date of listing on the Tokyo Stock Exchange Mothers market to the end of the fiscal year ended December 31, 2021, as the average share value during the period.
 3. Diluted earnings per share for the fiscal year ended December 31, 2020 are not provided because, although there were potential shares, the Company's stock was not listed at that time and thus the average share value during the period was not available.

(2) Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of December 31, 2021	2,784	2,088	75.0	370.44
As of December 31, 2020	1,061	479	45.1	94.99

(Reference) Equity: As of December 31, 2021: ¥2,088 million

As of December 31, 2020: ¥479 million

(Note) The Company conducted a 10-for-1 stock split on June 2, 2021. Basic earnings per share were calculated assuming that the stock split was conducted at the beginning of the fiscal year ended December 31, 2020.

(3) Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at year-end
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended December 31, 2021	428	(26)	1,135	2,248
December 31, 2020	155	(83)	307	710

2. Dividends

	Annual dividends					Total dividends (annual)	Payout ratio	Ratio of dividends to net assets
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
December 31, 2020	—	0.00	—	0.00	0.00	—	—	—
December 31, 2021	—	0.00	—	0.00	0.00	—	—	—
Fiscal year ending December 31, 2022 (forecast)	—	0.00	—	0.00	0.00		—	

3. Financial Results Forecast for the Fiscal Year Ending December 31, 2022 (January 1, 2022 - December 31, 2022)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	3,500	63.6	670	31.2	660	31.4	470	30.6	83.38

*** Notes:**

- (1) Changes in accounting policies, changes in accounting estimates and retrospective restatement
- 1) Changes in accounting policies due to the revision of accounting standards: None
 - 2) Changes in accounting policies other than 1) above: None
 - 3) Changes in accounting estimates: None
 - 4) Retrospective restatement: None
- (2) Total number of issued and outstanding shares (common shares)
- 1) Total number of issued and outstanding shares at the end of the period (including treasury shares):

December 31, 2021:	5,637,150 shares
December 31, 2020:	5,045,900 shares
 - 2) Total number of treasury shares at the end of the period:

December 31, 2021:	32 shares
December 31, 2020:	2,000 shares
 - 3) Average number of shares during the period:

Fiscal year ended December 31, 2021:	5,169,924 shares
Fiscal year ended December 31, 2020:	4,757,651 shares

(Note) 1. The Company conducted a 10-for-1 stock split on June 2, 2021. Total number of issued and outstanding shares at the end of the period (including treasury shares), total number of treasury shares at the end of the period and average number of shares during the period were calculated assuming that the stock split was conducted at the beginning of the fiscal year ended December 31, 2020.

*These financial results are outside the scope of audits by certified public accountants or an audit firm.

* Explanation of the proper use of financial results forecast and other notes

The earnings forecasts and other forward-looking statements herein are based on information currently available to the Company and certain assumptions deemed reasonable, and the Company does not intend to promise the achievement of these forecasts. Actual results may differ significantly from these forecasts due to a wide range of factors.

Please note that, although the “Business Plans and Matters Related to Growth Potential” disclosed on September 29, 2021 stated that the next disclosure of the information would be at the time of the announcement of the full-year financial results for the fiscal year ended December 31, 2021, the Company currently plans to disclose the information in March 2022.

3. Non-consolidated Financial Statements and Principal Notes

(1) Non-consolidated Balance Sheets

(Thousand yen)

	As of December 31, 2020	As of December 31, 2021
Assets		
Current assets		
Cash and deposits	710,407	2,248,047
Notes receivable - trade	—	1,507
Accounts receivable - trade	166,815	324,192
Supplies	923	746
Prepaid expenses	10,673	18,692
Other	1,168	2,974
Total current assets	889,988	2,596,160
Non-current assets		
Property, plant and equipment		
Buildings	13,070	19,305
Accumulated depreciation	(3,425)	(6,667)
Buildings, net	9,644	12,637
Vehicles	—	6,981
Accumulated depreciation	—	(1,937)
Vehicles, net	—	5,044
Tools, furniture and fixtures	21,919	39,920
Accumulated depreciation	(7,598)	(12,568)
Tools, furniture and fixtures, net	14,321	27,352
Leased assets	11,591	11,591
Accumulated depreciation	(3,670)	(5,988)
Leased assets, net	7,920	5,602
Construction in progress	7,900	—
Total property, plant and equipment	39,786	50,636
Intangible assets		
Goodwill	12,808	7,508
Trademark right	707	628
Software	741	1,611
Total intangible assets	14,257	9,747
Investments and other assets		
Investment securities	19,137	19,137
Investments in capital	100	100
Long-term prepaid expenses	1,005	218
Deferred tax assets	5,869	13,135
Leasehold deposits	86,060	83,140
Total investments and other assets	112,173	115,732
Total non-current assets	166,216	176,116
Deferred assets		
Share issuance costs	1,024	9,293
Bond issuance costs	4,447	3,021
Total deferred assets	5,472	12,314
Total assets	1,061,676	2,784,591

(Thousand yen)

	As of December 31, 2020	As of December 31, 2021
Liabilities		
Current liabilities		
Accounts payable - trade	41,427	117,006
Current portion of bonds payable	52,400	52,400
Current portion of long-term borrowings	30,453	13,500
Lease obligations	2,496	2,531
Accounts payable - other	50,058	87,874
Accrued expenses	287	358
Income taxes payable	58,050	136,950
Deposits received	10,532	15,451
Other	38,044	58,663
Total current liabilities	283,749	484,736
Non-current liabilities		
Bonds payable	121,400	69,000
Long-term borrowings	171,098	138,851
Lease obligations	6,315	3,784
Total non-current liabilities	298,813	211,635
Total liabilities	582,562	696,371
Net assets		
Shareholders' equity		
Share capital	311,950	945,522
Capital surplus		
Capital reserve	—	611,084
Other capital surplus	—	4,376
Total capital surplus	—	615,460
Retained earnings		
Other retained earnings		
Retained earnings brought forward	167,664	527,408
Total retained earnings	167,664	527,408
Treasury shares	(500)	(171)
Total shareholders' equity	479,114	2,088,220
Total net assets	479,114	2,088,220
Total liabilities and net assets	1,061,676	2,784,591

(2) Non-consolidated Statements of Income

(Thousand yen)

	For the fiscal year ended December 31, 2020	For the fiscal year ended December 31, 2021
Net sales	1,104,923	2,139,581
Cost of sales	574,840	1,131,248
Gross profit	530,082	1,008,333
Selling, general and administrative expenses	354,024	497,705
Operating profit	176,058	510,627
Non-operating income		
Interest income	3	6
Dividend income	1	1
Other	6	—
Total non-operating income	11	8
Non-operating expenses		
Interest expenses	2,699	2,315
Interest on bonds	319	340
Amortization of share issuance costs	257	1,491
Amortization of bond issuance costs	1,312	1,426
Guarantee commission	1,075	1,280
Other	—	1,559
Total non-operating expenses	5,664	8,412
Ordinary profit	170,405	502,223
Extraordinary losses		
Loss on valuation of investment securities	4,209	—
Total extraordinary losses	4,209	—
Profit before income taxes	166,196	502,223
Income taxes - current	56,579	149,745
Income taxes - deferred	(4,381)	(7,266)
Total income taxes	52,197	142,479
Profit	113,998	359,744

(3) Non-consolidated Statements of Changes in Equity

Fiscal year ended December 31, 2020 (from January 1, 2020 to December 31, 2020)

(Thousand yen)

	Shareholders' equity					
	Share capital	Capital surplus			Retained earnings	
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings Retained earnings brought forward	Total retained earnings
Balance at beginning of period	150,700	—	—	—	53,665	53,665
Changes during period						
Issuance of new shares	161,250					
Profit					113,998	113,998
Purchase of treasury shares						
Disposal of treasury shares						
Total changes during period	161,250	—	—	—	113,998	113,998
Balance at end of period	311,950	—	—	—	167,664	167,664

	Shareholders' equity		Total net assets
	Treasury shares	Total shareholders' equity	
Balance at beginning of period	(500)	203,865	203,865
Changes during period			
Issuance of new shares		161,250	161,250
Profit		113,998	113,998
Purchase of treasury shares			
Disposal of treasury shares			
Total changes during period	—	275,248	275,248
Balance at end of period	(500)	479,114	479,114

Fiscal year ended December 31, 2021 (from January 1, 2021 to December 31, 2021)

(Thousand yen)

	Shareholders' equity					
	Share capital	Capital surplus			Retained earnings	
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings Retained earnings brought forward	Total retained earnings
Balance at beginning of period	311,950	—	—	—	167,664	167,664
Changes during period						
Issuance of new shares	633,572	611,084		611,084		
Profit					359,744	359,744
Purchase of treasury shares						
Disposal of treasury shares			4,376	4,376		
Total changes during period	633,572	611,084	4,376	615,460	359,744	359,744
Balance at end of period	945,522	611,084	4,376	615,460	527,408	527,408

	Shareholders' equity		Total net assets
	Treasury shares	Total shareholders' equity	
Balance at beginning of period	(500)	479,114	479,114
Changes during period			
Issuance of new shares		1,244,656	1,244,656
Profit		359,744	359,744
Purchase of treasury shares	(171)	(171)	(171)
Disposal of treasury shares	500	4,876	4,876
Total changes during period	328	1,609,106	1,609,106
Balance at end of period	(171)	2,088,220	2,088,220

(4) Non-consolidated Statements of Cash Flows

(Thousand yen)

	For the fiscal year ended December 31, 2020	For the fiscal year ended December 31, 2021
Cash flows from operating activities		
Profit before income taxes	166,196	502,223
Depreciation	14,314	19,007
Amortization of lease deposits	2,083	3,217
Amortization of share issuance costs	257	1,491
Amortization of bond issuance costs	1,312	1,426
Interest and dividend income	(5)	(8)
Interest expenses on borrowings and bonds	3,019	2,656
Loss (gain) on valuation of investment securities	4,209	—
Decrease (increase) in trade receivables	(58,377)	(158,884)
Increase (decrease) in trade payables	(9,257)	75,579
Increase (decrease) in accrued consumption taxes	24,594	20,619
Other, net	21,293	42,497
Subtotal	169,639	509,826
Interest and dividends received	5	8
Interest paid	(3,264)	(2,645)
Income taxes paid	(10,760)	(78,490)
Net cash provided by (used in) operating activities	155,620	428,698
Cash flows from investing activities		
Purchase of investment securities	(11,147)	—
Purchase of property, plant and equipment	(12,450)	(25,082)
Purchase of intangible assets	—	(1,184)
Payments of leasehold deposits	(59,573)	(297)
Net cash provided by (used in) investing activities	(83,170)	(26,564)
Cash flows from financing activities		
Purchase of treasury shares	—	(171)
Proceeds from disposal of treasury shares	—	4,876
Repayments of short-term borrowings	(13,332)	—
Proceeds from long-term borrowings	150,000	—
Repayments of long-term borrowings	(68,432)	(49,200)
Proceeds from issuance of bonds	117,418	—
Redemption of bonds	(36,200)	(52,400)
Proceeds from issuance of shares	160,271	1,234,897
Repayments of finance lease obligations	(2,461)	(2,496)
Net cash provided by (used in) financing activities	307,264	1,135,506
Net increase (decrease) in cash and cash equivalents	379,713	1,537,640
Cash and cash equivalents at beginning of period	330,693	710,407
Cash and cash equivalents at end of period	710,407	2,248,047