



Consolidated Financial Results for the Fiscal Year Ended March 2022 [Japanese GAAP]

May 11, 2022

Listed company name SOCIALWIRE CO.,LTD. TSE
 Code number 3929 URL https://www.socialwire.net/
 Representative (Title) President and CEO (Name) Motofumi Shoji
 Contact person (Title) Deputy General Manager of Corporate Strategic (Finance and Accounting) (Name) Hideaki Shigehiro Tel 03-5363-4872
 Scheduled date for the Annual Ordinary General Meeting of Shareholders June 18, 2022 Scheduled dividend payment start date —
 Scheduled filing date of annual securities report June 20, 2022
 Availability of supplementary explanation materials for financial results: Yes
 Availability of financial results briefing: Yes (For institutional investors and analysts)

(Amounts less than one million yen have been omitted.)

1. Consolidated financial results for the fiscal year ended March 2022 (April 1, 2021 - March 31, 2022)

(1) Consolidated business results (% shows the rate of increase/decrease from the previous fiscal year)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of the parent	
	million yen	%	million yen	%	million yen	%	million yen	%
FY ended March 2022	4,630	1.4	164	30.9	137	25.8	28	-
FY ended March 2021	4,566	16.3	125	(37.7)	109	(31.3)	(143)	-

(Note) Comprehensive income FY ended March 2022 46 million yen (-%) FY ended March 2021 (166) million yen (-%)

	Net income per share	Diluted net income per share	Return on equity	Total assets Ordinary income margin	Net sales Operating income margin
	yen	yen	%	%	%
FY ended March 2022	4.79	-	2.8	2.7	3.5
FY ended March 2021	(23.83)	-	(12.1)	2.1	2.7

(Reference) Equity method investment earnings (losses) FY ended March 2022 -million yen FY ended March 2021 -million yen

(Note) 1.The Group has adopted the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020)and relevant ASBJ regulations from the beginning of the fiscal year ending March 31, 2022.Figures for the year ended March 31, 2022 reflect this change of accounting method.
 2.Diluted net income per share for the current consolidated fiscal year is not stated because there are no dilutive shares that have a diluting effect.
 Diluted net income per share for the previous consolidated fiscal year is not stated because it is a net loss per share, although there are dilutive shares.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	million yen	million yen	%	yen
FY ended March 2022	4,977	1,064	21.0	175.61
FY ended March 2021	5,172	1,080	20.6	176.88

(Reference) Equity capital FY ended March 2022 1,048 million yen FY ended March 2021 1,066 million yen

(Note) The Group has adopted the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020)and relevant ASBJ regulations from the beginning of the fiscal year ending March 31, 2022.Figures for the year ended March 31, 2022 reflect this change of accounting method.

(3) Consolidated cash flows

	Cash flow from operating activities	Cash flow from investing activities	Cash flows from financing activities	Remaining cash and cash equivalents at the end of the fiscal year
	million yen	million yen	million yen	million yen
FY ended March 2022	557	(260)	(353)	898
FY ended March 2021	659	(817)	164	942

(Note) The Group has adopted the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020)and relevant ASBJ regulations from the beginning of the fiscal year ending March 31, 2022.Figures for the year ended March 31, 2022 reflect this change of accounting method.

2. Dividend status

	Annual dividend					Total dividends	Dividend payout ratio (consolidated)	Net Asset Dividend Rate (consolidated)
	End of 1Q	End of 2Q	End of 3Q	End-of-FY	Total			
	yen	yen	yen	yen	yen	million yen	%	%
FY ended March 2021	-	6.50	-	2.50	9.00	54	-	4.5
FY ended March 2022	-	0.00	-	0.00	0.00	-	-	-
FY ending March 2023 (forecast)	-	0.00	-	0.00	0.00		-	

3. Consolidated Earnings Forecast for the Fiscal Year Ending March 2023 (April 1, 2022 to March 31, 2023)

(% shows the rate of increase/decrease from the previous fiscal year)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of the parent		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Full fiscal year	5,000	7.9	(155)	-	(170)	-	(180)	-	(29.46)

* Notes

(1) Important Changes in subsidiaries during the fiscal year (changes in specified subsidiaries accompanying changes in the scope of consolidation): None

New-company (company name), Excluded-company (company name)

(2) Changes in accounting policies, changes in accounting estimates, and restatements

① Changes in accounting policy due to revision of accounting standards, etc.: Yes

② Changes in accounting policies other than ①: None

③ Changes in accounting estimates: None

④ Restatements: None

(3) Number of issued shares (ordinary shares)

① Number of shares issued at the end of fiscal year (including treasury shares)

② Number of treasury shares at the end of the fiscal year

③ Average number of shares during the fiscal year

FY ended March 2022	6,108,600 stock	FY ended March 2021	6,108,600 stock
FY ended March 2022	136,006 stock	FY ended March 2021	77,106 stock
FY ended March 2022	5,986,274 stock	FY ended March 2021	6,030,120 stock

(Reference) Overview of individual business results

1. Individual results for the fiscal year ended March 2022 (April 1, 2021 - March 31, 2022)

(1) Individual management results

(% shows the rate of increase/decrease compared to the previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Fiscal year ended March 2022	4,163	5.3	117	24.0	104	36.2	21	-
Fiscal year ended March 2021	3,953	30.8	94	(41.3)	76	(49.4)	(149)	-

	Per share Net income	Diluted net income per share
	yen	yen
Fiscal year ended March 2022	3.63	-
Fiscal year ended March 2021	(24.72)	-

(Note) 1.The Group has adopted the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) and relevant ASBJ regulations from the beginning of the fiscal year ending March 31, 2022. Figures for the year ended March 31, 2022 reflect this change of accounting method.

2.Diluted net income per share for the current fiscal year is not stated because there are no dilutive shares that have a diluting effect. Diluted net income per share for the previous fiscal year is not stated because it is a net loss per share, although there are dilutive shares.

(2) Individual financial status

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	million yen	million yen	%	yen
Fiscal year ended March 2022	4,603	1,054	22.8	176.03
Fiscal year ended March 2021	4,704	1,094	23.2	180.98

(Reference) Equity capital Fiscal year ended March 2022 1,051 million yen Fiscal year ended March 2021 1,091 million yen

* Financial statements are not subject to audit by a certified accountant or an auditing firm.

* Explanation of proper use of earnings forecasts and other special notes

(Notes on future descriptions)

The statements regarding the future, such as the business forecasts, described in this material are based on the information currently available to the Company and certain assumptions that the Company deems reasonable, and are not intended to be a commitment by the Company to be achieved. In addition, actual business results may differ from the figures in this material due to changes in internal and external conditions. For details related to the forecasts in this document, please refer to "(4) Future Outlook" in "1. Overview of Business Results, etc.", on page 4 of the attached document.

(How to obtain supplementary materials of financial results)

Supplementary materials of financial results were disclosed on TDnet on the same day. They were also posted on our website on the same day.

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1. Overview of business results, etc.

(1) Overview of business results for the current fiscal year

During the current consolidated fiscal year, economic activities in Japan, including personal consumption, remained stagnant due to the spread of new coronavirus, including mutant strains, and the intermittent issuance of emergency declarations and priority measures to prevent the spread. As a result, uncertainty remains in certain industries.

Under such a market environment, we have developed strategies with an eye on the needs and market growth after the pandemic and promoted the growth.

As a result, net sales for the current consolidated fiscal year increased to 4,630,337 thousand yen (up 1.4% from the previous consolidated fiscal year). Regarding profits, operating income was 164,070 thousand yen (up 30.9% from the previous consolidated fiscal year) and ordinary income was 137,592 thousand yen (up 25.8% from the previous consolidated fiscal year). Also, as a result of recording 31,902 thousand yen in impairment loss of fixed assets, etc. under extraordinary loss, profit attributable to owners of the parent amounted to 28,671 thousand yen (compared to the loss attributable to owners of the parent of 143,670 thousand yen in the previous consolidated fiscal year).

The business results for each segment are as follows. The figures are after the elimination of transactions between segments.

(Digital PR business)

The digital PR business manages influencer PR services, clipping (investigation and reporting) services of various media such as newspapers, magazines, WEB, and SNS, and press release distribution services for products, services, and businesses to companies, government agencies, and organizations.

In the current consolidated fiscal year, the influencer PR services saw an increase in the number of deals (up 17.3% from the previous consolidated fiscal year) due to a recovery from the impact of the spread of COVID-19 and the effect of expanded sales of stock-type services such as account management. The number of deals for media clipping services increased (up 16.6% from the previous consolidated fiscal year), driven by the customer checking services in particular. The press release distribution services saw an increase in the number of releases distributed (up 6.7% from the previous consolidated fiscal year) due to an increase in the number of companies using the service as a result of sales promotion in the previous fiscal year, as well as an increase in demand following the lifting of the state of emergency.

As a result, net sales in the digital PR business increased by 241,979 thousand yen from the previous consolidated fiscal year to 2,632,264 thousand yen (up 10.1%), and segment income increased by 129,651 thousand yen from the previous consolidated fiscal year to 593,711 thousand yen (up 27.9%).

(Shared office business)

The shared office business operates shared office services and cloud translation services in six major Asian cities (Tokyo [Roppongi, Aoyama, Shibuya, Shimbashi, and 2 bases in Shinjuku], Yokohama, Sendai, Singapore, Indonesia (*), and Thailand).

In the current consolidated fiscal year, for shared office, which is our main services, the cumulative number of occupied seats at domestic bases increased (up 7.7% from the previous consolidated fiscal year) due in part to the opening of a new base, CROSSCOOP Yokohama, in January 2021. Another new base, CROSSCOOP Nihonbashi, was also opened in January 2022. As for overseas bases, the cumulative number of occupied seats decreased significantly (down 44.9% from the previous consolidated fiscal year) due to the withdrawals of the Philippines and India bases, which were decided in the previous fiscal year, as well as the September 2021 decision to withdraw from the Vietnam base. The cumulative occupancy rate was 72.1% (down 3.6 percentage points from the previous consolidated fiscal year) due to the significant impact of the restriction of activities caused by COVID-19 pandemic, including in Japan, as well as the weak growth in the number of occupied seats at the bases immediately after their opening. On the expense side, rent and depreciation increased due to the opening of new bases (Yokohama and Nihonbashi).

As a result, net sales in the shared office business decreased 177,725 thousand yen to 1,998,072 thousand yen (down 8.1% from the previous consolidated fiscal year), and segment loss decreased 94,899 thousand yen to 32,536 thousand yen (compared to the profit of 62,362 thousand yen in the previous consolidated fiscal year), partly due to initial investment costs for the establishment of the new bases.

(*) The Indonesian base is operated by a franchise.

(2) Overview of the financial condition for the current fiscal year

(Assets)

The amount of assets at the end of the current consolidated fiscal year was 4,977,579 thousand yen, a decrease of 195,332 thousand yen from the end of the previous consolidated fiscal year. The decrease in assets was mainly due to an increase of 204,349 thousand yen in buildings, an increase of 105,343 thousand yen in accumulated depreciation due to the progress of depreciation, and decreases of 128,199 thousand yen in right-of-use assets and 56,290 thousand in long-term loans receivable.

(Liabilities)

Total liabilities at the end of the current consolidated fiscal year were 3,913,434 thousand yen, a decrease of 179,101 thousand yen from the end of the previous consolidated fiscal year. The decrease in liabilities, despite an increase of 81,735 thousand yen in asset retirement obligations (including current liabilities), was mainly due to the decrease of 138,090 thousand yen in long-term borrowings (including the current portion of long-term borrowings) and decrease of 105,169 thousand yen in lease obligations (including current liabilities).

(Net Assets)

Net assets at the end of the current consolidated fiscal year were 1,064,145 thousand yen, a decrease of 16,231 thousand yen from the end of the previous consolidated fiscal year. The decrease in net assets was mainly due to a decrease of 38,660 thousand yen from the acquisition of treasury stock, while 28,671 thousand yen was recorded as profit attributable to owners of parent.

(3) Overview of cash flow for the current fiscal year

Cash and cash equivalents (hereinafter referred to as "capital") at the end of the current consolidated fiscal year amounted to 898,723 thousand yen, a decrease of 44,190 thousand yen from the end of the previous consolidated fiscal year. Below are the status of each cash flow and its factors in the consolidated fiscal year under review.

(Cash flow from operating activities)

The capital gained from operating activities was 557,512 thousand yen (659,130 thousand yen in the previous consolidated fiscal year). It was mainly due to income before income taxes and others of 69,249 thousand yen, depreciation of 393,611 thousand yen.

(Cash flow from investing activities)

The amount of capital used as a result of investing activities was 260,967 thousand yen (817,230 thousand yen used in the previous consolidated fiscal year). It was mainly due to expenditures of 201,231 thousand yen for the purchase of property, plant and equipment, and 60,148 thousand yen for the acquisition of intangible assets, while there were 71,222 thousand yen in proceeds from the refund of guarantee deposits.

(Cash flow from financing activities)

The capital used in financing activities amounted to 353,298 thousand yen (164,004 thousand yen in the previous fiscal year). It was mainly due to expenditures for the repayments of long-term borrowings of 368,726 thousand yen and repayment of lease obligations of 162,833 thousand yen, while there were proceeds from long-term borrowings of 232,000 thousand yen.

(Reference) Changes in cash flow related indicators

	Fiscal year ended March 2021	Fiscal year ended March 2022
Equity-to-asset ratio	20.6	21.0
Equity-to-asset ratio based on the market base (%)	93.7	56.0
Ratio of cash flow to Interest-bearing liabilities (year)	3.3	3.5
Interest coverage ratio (times)	16.3	18.9

The formula for calculating each index is as follows.

Equity-to-asset ratio = Equity / Total assets

Equity-to-asset ratio based on the market value: Market capitalization / total assets

Cash flow to Interest-bearing liabilities ratio: Interest-bearing liabilities / Cash flow

Interest coverage ratio: cash flow / interest payments

- (Note) 1. Market capitalization is calculated based on the number of issued shares excluding treasury shares.
2. Both are calculated based on consolidated financial figures.
3. For cash flow, we use cash flow from operating activities.
4. Interest-bearing liabilities cover all the liabilities with interest paid out of the liabilities calculated on the consolidated balance sheet.

(4) Future outlook

① Overall outlook

The global COVID-19 pandemic, including mutant strains, has irreversibly changed values in consumer activities, causing a paradigm shift in our business domains of digital PR and the shared office industries, which is affecting our growth. In light of this situation, we will revamp our corporate vision and change our management policy, shifting from the policy of pursuing volume, focusing on sales growth to that of increasing the added value of products and corporate value, while increasing the weight of medium- to long-term development of growth businesses.

We consider the fiscal year ending March 31, 2023, to be a mid-term preparation period to increase the added value of products. Therefore, we have estimated top-line growth conservatively while actively factoring in cost increases.

② Segment outlook

(Digital PR business)

In influencer PR services, we expect a certain level of growth in the number of deals but conservatively forecast the average sale per customer. In press release distribution services, we have factored in an upward trend in the number of press release distributions expecting the improvement of the business environment from the fiscal year ended March 31, 2022. As for clipping services, while the number of paper deals remains weak, we aim for strong growth in the "RISK EYES" customer checking service. In terms of expenses, we are going to implement measures to improve product value and expect an increase in advertising and other expenses.

Based on the above, we forecast net sales of 2,770 million yen (up 5.2% from the previous fiscal year) and segment income of 505 million yen (down 14.9% from the previous fiscal year).

(Shared office business)

Regarding domestic bases, in addition to the opening of CROSSCOOP Nihonbashi in January 2022, CROSSCOOP Fukuoka is scheduled to open in June 2022. In terms of the business environment, we make certain conservative assumptions regarding the acquisition of new contracts, assuming that the impact of COVID-19 will continue. However, we expect an increase in the number of occupied seats, partly due to the opening of new bases. On the other hand, we expect that expenses such as rent and depreciation will be incurred up front, which is expected to be a significant burden on segment income throughout the year.

As for overseas bases, we assume the number of occupied seats to remain unchanged as the downsizing of bases will run its course.

Based on the above, we expect net sales of 2,230 million yen (up 11.6% from the previous fiscal year) and a segment loss of 225 million yen (compared to the loss of 32 million yen in the previous fiscal year).

As a result, for the fiscal year ending March 31, 2023, we forecast net sales of 5,000 million yen (up 7.9% from the previous consolidated fiscal year), an operating loss of 155 million yen (compared to the profit of 164 million yen in the previous consolidated fiscal year), ordinary loss of 170 million yen (compared to the profit of 137 million yen in the previous consolidated fiscal year), and loss attributable to owners of the parent of 180 million yen (compared to the profit of 28 million yen in the previous consolidated fiscal year).

2. Basic concept regarding the selection of accounting standards

The Group prepares its consolidated financial statements in accordance with Japanese GAAP, and determines that the Group's financial position, operating results, etc. are appropriately presented. Regarding international accounting standards, we will consider the applicability of the standards after grasping the differences from the Japanese GAAP, taking into account the status of the global expansion of our business.

3. Consolidated financial statements and main notes

(1) Consolidated balance sheet

(Unit: thousand yen)

	Previous consolidated fiscal year (March 31, 2021)	Current consolidated fiscal year (March 31, 2022)
Assets		
Current assets		
Cash and deposits	942,914	898,723
Notes and accounts receivable - trade	344,262	-
Notes and accounts receivable-trade and contract assets	-	295,069
Other	296,562	233,127
Allowance for doubtful accounts	(6,542)	(3,723)
Total current assets	1,577,197	1,423,198
Non-current assets		
Property, plant and equipment		
Buildings	1,625,978	1,830,327
Tools, furniture and fixtures	454,123	482,086
Right-of-use assets	528,883	400,683
Other	54,659	61,519
Accumulated depreciation	(1,035,043)	(1,140,386)
Total property, plant and equipment	1,628,601	1,634,231
Intangible fixed assets		
Goodwill	149,729	118,800
Software	156,590	154,358
Other	3,812	3,512
Total intangible assets	310,132	276,672
Investments and other assets		
Investment securities	37,198	35,635
Long-term loans receivable	56,290	-
Guarantee deposits	1,450,185	1,459,796
Deferred tax assets	137,954	146,682
Other	14,706	84,008
Allowance for doubtful accounts	(39,354)	(82,646)
Total investment and other assets	1,656,980	1,643,477
Total non-current assets	3,595,714	3,554,381
Total assets	5,172,912	4,977,579

(Unit: thousand yen)

	Previous consolidated fiscal year (March 31, 2021)	Current consolidated fiscal year (March 31, 2022)
Liabilities		
Current liabilities		
Current portion of long-term borrowings	365,293	415,330
Accounts payable - other	253,790	272,544
Income taxes payable	33,408	16,688
Advances received	499,307	-
Contract liability	-	526,686
Lease obligations	145,942	95,387
Guarantee deposits received	295,940	304,096
Asset retirement obligations	25,439	7,634
Other	180,545	141,252
Total current liabilities	1,799,666	1,779,620
Non-current liabilities		
Long-term borrowings	1,517,960	1,329,833
Asset retirement obligations	504,444	603,985
Deferred tax liability	2,521	2,461
Lease obligations	197,654	143,040
Other	70,287	54,494
Total non-current liabilities	2,292,868	2,133,813
Total liabilities	4,092,535	3,913,434
Net Assets		
Shareholders' equity		
Share capital	354,789	354,789
Capital surplus	294,556	294,556
Retained earnings	469,342	474,570
Treasury shares	(45,245)	(83,906)
Total shareholders' equity	1,073,442	1,040,010
Accumulated other comprehensive income		
Valuation difference on other securities	(63)	63
Foreign currency translation adjustment account	(6,531)	8,774
Total accumulated other comprehensive income	(6,594)	8,837
Share acquisition rights	2,972	2,712
Non-controlling interests	10,556	12,585
Total net assets	1,080,376	1,064,145
Total liabilities and net assets	5,172,912	4,977,579

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

(Unit: thousand yen)

	Previous consolidated fiscal year (From April 1, 2020 to March 31, 2021)	Current consolidated fiscal year (From April 1, 2021 to March 31, 2022)
Net sales	4,566,083	4,630,337
Cost of sales	2,501,653	2,469,774
Gross profit	2,064,429	2,160,562
Selling, general and administrative expenses	1,939,116	1,996,492
Operating income	125,313	164,070
Non-operating income		
Interest income	1,897	1,258
Dividend income	938	-
Commission income	797	3,282
Subsidy income	15,992	1,221
Gain on cancellation of leases	22,339	-
Other	2,615	2,540
Total non-operating income	44,580	8,303
Non-operating expenses		
Interest expenses	40,524	29,555
Loss on investments in investment partnerships	2,736	859
Foreign exchange losses	1,790	948
Other	15,554	3,418
Total non-operating expenses	60,606	34,781
Ordinary income	109,287	137,592
Extraordinary income		
Gain on sale of investment securities	70,183	-
Gain on reversal of share acquisition rights	1,162	259
Total extraordinary income	71,345	259
Extraordinary loss		
Impairment loss	323,479	31,902
Provision of allowance for doubtful accounts	26,059	36,700
Loss on liquidation of subsidiaries and affiliates	2,841	-
Extraordinary loss total	352,381	68,602
Income (loss) before income taxes and others	(171,747)	69,249
Income taxes - current	62,541	43,508
Income taxes - deferred	(82,922)	(4,558)
Total income taxes	(20,380)	38,950
Net income (loss)	(151,367)	30,299
Profit (loss) attributable to non-controlling interests	(7,696)	1,627
Profit (loss) attributable to owners of the parent	(143,670)	28,671

(Consolidated statement of comprehensive income)

(Unit: thousand yen)

	Previous consolidated fiscal year (From April 1, 2020 to March 31, 2021)	Current consolidated fiscal year (From April 1, 2021 to March 31, 2022)
Net income (loss)	(151,367)	30,299
Other comprehensive income		
Valuation difference on other securities	(1,987)	126
Foreign currency translation adjustment account	(13,269)	15,706
Total other comprehensive income	(15,256)	15,833
Comprehensive income	(166,623)	46,132
(Breakdown)		
Comprehensive income attributable to owners of parent	(158,004)	44,104
Comprehensive income attributable to non-controlling interests	(8,619)	2,028

(3) Consolidated statement of changes in equity

Previous consolidated fiscal year (from April 1, 2020 to March 31, 2021)

(Unit: thousand yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of fiscal year	352,031	291,797	688,369	(45,188)	1,287,009
Cumulative effect of accounting changes					
Restated balance					
Changes during period					
Issuance of new shares - exercise of share acquisition rights	2,758	2,758			5,517
Dividend of surplus			(75,356)		(75,356)
Profit (loss) attributable to owners of the parent			(143,670)		(143,670)
Purchase of treasury shares				(56)	(56)
Net changes in items other than shareholders' equity					
Total changes during period	2,758	2,758	(219,027)	(56)	(213,566)
Balance at the end of the current fiscal year	354,789	294,556	469,342	(45,245)	1,073,442

	Accumulated other comprehensive income			Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on other securities	Foreign currency translation adjustment account	Total accumulated other comprehensive income			
Balance at the beginning of fiscal year	1,923	5,815	7,739	4,955	19,017	1,318,721
Cumulative effect of accounting changes						
Restated balance						
Changes during period						
Issuance of new shares - exercise of share acquisition rights						5,517
Dividend of surplus						(75,356)
Profit (loss) attributable to owners of the parent						(143,670)
Purchase of treasury shares						(56)
Net changes in items other than shareholders' equity	(1,987)	(12,347)	(14,334)	(1,983)	(8,460)	(24,778)
Total changes during period	(1,987)	(12,347)	(14,334)	(1,983)	(8,460)	(238,344)
Balance at the end of the current fiscal year	(63)	(6,531)	(6,594)	2,972	10,556	1,080,376

Current consolidated fiscal year (from April 1, 2021 to March 31, 2022)

(Unit: thousand yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of fiscal year	354,789	294,556	469,342	(45,245)	1,073,442
Cumulative effect of accounting changes			(8,364)		(8,364)
Restated balance	354,789	294,556	460,977	(45,245)	1,065,077
Changes during period					
Dividend of surplus			(15,078)		(15,078)
Profit (loss) attributable to owners of the parent			28,671		28,671
Purchase of treasury shares				(38,660)	(38,660)
Net changes in items other than shareholders' equity					
Total changes during period	-	-	13,592	(38,660)	(25,067)
Balance at the end of the current fiscal year	354,789	294,556	474,570	(83,906)	1,040,010

	Accumulated other comprehensive income			Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on other securities	Foreign currency translation adjustment account	Total accumulated other comprehensive income			
Balance at the beginning of fiscal year	(63)	(6,531)	(6,594)	2,972	10,556	1,080,376
Cumulative effect of accounting changes						(8,364)
Restated balance	(63)	(6,531)	(6,594)	2,972	10,556	1,072,012
Changes during period						
Dividend of surplus						(15,078)
Profit (loss) attributable to owners of the parent						28,671
Purchase of treasury shares						(38,660)
Net changes in items other than shareholders' equity	126	15,305	15,432	(259)	2,028	17,201
Total changes during period	126	15,305	15,432	(259)	2,028	(7,866)
Balance at the end of the current fiscal year	63	8,774	8,837	2,712	12,585	1,064,145

(4) Consolidated statement of cash flows

(Unit: thousand yen)

	Previous consolidated fiscal year (From April 1, 2020 to March 31, 2021)	Current consolidated fiscal year (From April 1, 2021 to March 31, 2022)
Cash flow from operating activities		
Income (loss) before income taxes and others	(171,747)	69,249
Depreciation	479,040	393,611
Amortization of goodwill	32,399	30,928
Impairment loss	323,479	31,902
Increase (decrease) in allowance for doubtful accounts	27,974	36,395
Interest and dividend income	(2,835)	(1,258)
Interest expenses	40,524	29,555
Foreign exchange loss (gain)	1,790	948
Loss (gain) on investments in investment partnerships	2,736	859
Gain on cancellation of leases	(22,339)	-
Loss (gain) on sale of investment securities	(70,183)	-
Decrease (increase) in trade receivables	(79,788)	-
Decrease (increase) in trade receivables and contract assets	-	49,652
Increase (decrease) in advances received	13,911	-
Increase (decrease) in contract liabilities	-	26,877
Increase (decrease) in accounts payable - other	45,906	15,291
Increase (decrease) in guarantee deposits received	4,187	7,020
Other	125,184	(43,299)
Subtotal	750,241	647,735
Interest and dividends received	2,835	1,258
Interest paid	(40,392)	(29,441)
Income taxes paid	(53,553)	(62,040)
Cash flow from operating activities	659,130	557,512
Cash flow from investing activities		
Purchase of property, plant and equipment	(317,249)	(201,231)
Purchase of intangible assets	(61,238)	(60,148)
Payments for asset retirement obligations	-	(31,644)
Purchase of investment securities	(13,268)	-
Proceeds from sale of investment securities	143,121	-
Proceeds from refund of guarantee deposits	5,439	71,222
Payments of guarantee deposits	(577,201)	(38,583)
Other	3,168	(582)
Cash flow from investing activities	(817,230)	(260,967)
Cash flows from financing activities		
Proceeds from short-term borrowings	363,000	230,000
Repayments of short-term borrowings	(363,000)	(230,000)
Proceeds from long-term borrowings	763,000	232,000
Repayments of long-term borrowings	(322,112)	(368,726)
Purchase of treasury shares	-	38,660
Proceeds from issuance of shares resulting from exercise of share acquisition rights	4,393	-
Expenditure for repayment of lease obligations	(206,049)	(162,833)
Dividends paid	(75,356)	(15,078)
Other	130	-
Cash flows from financing activities	164,004	(353,298)
Effect of exchange rate changes on cash and cash equivalents	(5,768)	12,562
Net increase (decrease) in cash and cash equivalents	136	(44,190)
Balance of cash and cash equivalents at the beginning of the period	942,778	942,914
Cash and cash equivalents at the end of the fiscal year	942,914	898,723