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May 13, 2022

Consolidated Financial Results for the Year Ended March 31, 2022 (Under Japanese GAAP)

Company name: Living Platform, Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 7091
 URL: <https://living-platform.com>
 Representative: Hirofumi Kaneko, CEO
 Inquiries: Yuuki Nakarai, Administration manager
 Telephone: +81-03-3519-7787

Scheduled date of ordinary general meeting of shareholders: June 28, 2022
 Scheduled date to file Securities Report: June 28, 2022
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the Year Ended March 31, 2021

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

Year ended	Revenue		Operating income		Ordinary income		Net income attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2022	11,625	27.3	496	125.4	586	141.8	405	612.5
March 31, 2021	9,132	18.1	220	△33.0	242	3.5	56	△45.7

Note: Comprehensive income

As of March 31, 2022: 405 millions of yen (612.5%)

As of March 31, 2021: 56 millions of yen (△45.7%)

Year ended	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
March 31, 2022	90.14	89.21	32.7	5.9	4.3
March 31, 2021	12.68	12.67	5.2	3.1	2.4

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.

(2) Consolidated financial position

As of	Total assets	Net assets (Total equity)	Capital ratio, Owner's equity to total assets	Net Assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2022	10,866	1,351	12.4	303.94
March 31, 2021	8,949	1,127	12.6	251.20

Reference: Total Equity

As of March 31, 2022: 1,351 millions of yen

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

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
As of	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2021	443	△497	217	1,751
March 31, 2021	255	△1,957	1,729	1,588

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets 1st quarter (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2021	-	0.00	-	0.00	0.00	-	-	-
Fiscal year ended March 31, 2022	-	0.00	-	0.00	0.00	-	-	-
Fiscal year ending March 31, 2023 (Forecast)	-	0.00	-	0.00	0.00		-	

Note: Revision to the forecast on dividends: No

3. Consolidated Financial Result Forecasts for the Fiscal Year Ending March 31, 2023

Earnings forecast left undetermined due to uncertainty of the impact of COVID-19 outbreak. We will disclose accordingly when the figures are determined.

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
 [4] Restatement of prior period financial statements: No

(3) Number of issued shares (common stock)
 [1] Number of shares issued (including treasury stock)
 As of March 31, 2022 4,489,500 shares
 As of March 31, 2021 4,599,000 shares
 [2] Number of shares of treasury stock
 As of March 31, 2022 43,136 shares
 As of March 31, 2021 111,000 shares
 [3] Average number of shares outstanding during the period
 Year ended March 31, 2022 4,497,821 shares
 Year ended March 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.

(Reference)

Non-consolidated financial results for the year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(1) Non-consolidated operating results

Year ended	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2022	1,051	△69.7	63	△36.5	47	3.9	△684	—
March 31, 2021	3,468	△29.8	100	△3.9	45	—	20	—

Year ended	Earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2022	△152.23	—
March 31, 2021	13.77	13.73

Note: 1. The Company conducted a three-for-one stock split of common stock effective on October 1, 2021. Therefore, earnings per share 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) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2022	3,045	890	29.2	200.37
As of March 31, 2021	4,191	1,940	46.3	1,296.79

(Reference) Equity (millions of yen)

As of March 31, 2022: 890.

As of March 31, 2021: 1,940.

* The Company conducted a three-for-one stock split of common stock effective on October 1, 2021. Therefore, net assets per share is calculated on the assumption that the mentioned 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 March 31, 2022
ASSETS		
Current assets		
Cash and deposits	1,588,687	1,751,866
Notes and accounts receivable-trade	1,311,443	1,555,354
Raw materials and supplies	3,438	3,533
Prepaid expenses	17,280	22,519
Other current assets	214,305	259,647
Other	194,909	209,689
Total current assets	3,330,063	3,802,610
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,380,190	2,272,740
Vehicles, net	13,414	5,140
Tools, furniture and fixtures, net	91,918	91,258
Land	1,187,711	1,620,078
Lease assets, net	539,336	508,946
Construction in progress	—	271,883
Other, net	32,682	23,387
Total property, plant and equipment	4,245,254	4,793,435
Intangible assets		
Goodwill	53,773	983,015
Software	4,963	18,056
Other	58,356	56,619
Total intangible assets	117,092	1,057,692
Investments and other assets		Total intangible assets
Investment securities	54,215	99,903
Long-term loans receivable	330,025	29,355
Long-term prepaid expenses	31,105	27,159
Deferred tax assets	75,848	138,825
Guarantee deposits	558,277	743,040
Other	207,556	193,311
Allowance for accounts receivable	—	△22,828
Total investments and other assets	1,257,027	1,208,766
Total non-current assets	5,619,375	7,059,894
Deferred assets		
Other	—	3,614
Total deferred assets	—	3,614
Total assets	8,949,439	10,866,119

(Thousands of yen)

	Year ended March 31, 2021	Year ended March 31, 2022
Liabilities		
Current liabilities		
Short-term borrowings	708,000	287,503
Current portion of long-term borrowings	664,653	1,051,301
Lease obligations	22,357	28,170
Accounts payable – other	388,145	346,038
Accrued expenses	452,762	552,855
Income taxes payable	41,719	234,906
Unearned revenue	229,842	292,598
Withholdings	32,794	55,447
Provision for bonuses	73,219	93,865
Other	25,199	70,000
Total current liabilities	2,638,695	3,012,687
Non-current liabilities		
Long-term borrowings	3,535,683	4,825,642
Long-term advance received	442,153	377,129
Lease obligations	666,515	643,883
Retirement benefit liability	147,607	198,499
Deferred tax liability	5,577	6,363
Other	385,835	450,467
Total non-current liabilities	5,183,372	6,501,986
Total liabilities	7,822,067	9,514,673
Net assets		
Shareholders' equity		
Share Capital	357,070	357,757
Capital surplus	1,370,569	1,297,257
Retained earnings	△526,267	△224,151
Treasury shares	△74,000	△79,416
Total shareholders' equity	1,127,371	1,351,446
Total net assets	1,127,371	1,351,446
Total liabilities and net assets	8,949,439	10,866,119

Consolidated Statements of Income and Consolidated Statements of Comprehensive Income Consolidated Statements of Income

(Thousands of yen)

	Year ended March 31, 2021	Year ended March 31, 2022
Net sales	9,132,535	11,625,387
Cost of sales	8,164,025	10,291,566
Gross profit	968,510	1,333,821
Selling, general and administrative expenses	748,139	837,206
Operating profit	220,371	496,614
Non-operating income		
Interest income	2,765	2,639
Subsidy income	291,376	405,484
Other	32,320	42,351
Total non-operating income	326,461	450,476
Non-operating expenses		
Interest expenses	107,003	117,286
Non-deductible consumption taxes	195,379	212,429
Loss from bad debts	—	22,828
Other	1,827	7,934
Total non-operating expenses	304,210	360,479
Ordinary profit (loss)	242,621	586,612
Extraordinary income		
Gain on sales of non-current assets	—	58,029
Gain on donation of cash	54,830	10,757
Total extraordinary income	54,830	68,786
Extraordinary losses		
Loss on disposal of property	—	36,427
Loss on tax purpose reduction entry of non-current assets	150,528	—
Loss on impairment	15,002	14,819
Total extraordinary losses	165,530	51,247
Profit before income taxes	131,922	604,151
Income taxes - current	61,953	260,899
Income taxes – differed	13,067	△62,191
Total income taxes	75,020	198,708
Profit (loss)	56,902	405,442
Profit (loss) attributable to owners of parent	56,902	405,442

Consolidated Statements of Comprehensive Income

(Thousands of yen)

	Year ended March 31, 2021	Year ended March 31, 2022
Profit (loss)	56,902	405,442
Other		
Comprehensive income	56,902	405,442
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	56,902	405,442

Consolidated Statements of Changes in Equity

Fiscal year ended March 31, 2022

(Thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	357,070	1,370,569	△583,169	△74,000	1,070,469
Changes during period					
Profit attributable to owners of parent			56,902		56,902
Total changes during period	—	—	56,902	—	56,902
Balance at end of period	357,070	1,370,569	△526,267	△74,000	1,127,371

	Accumulated other comprehensive income		Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income	
Balance at beginning of period	—	—	1,070,469
Changes during period			
Net income attributable to owners of parent			56,902
Total changes during period	—	—	56,902
Balance at end of period	—	—	1,127,371

Fiscal year ended March 31, 2022

(Thousands of yen)

	Shareholders' equity				
	Capital stock	Capital stock	Capital stock	Capital stock	Capital stock
Balance at beginning of period	357,070	1,370,569	△526,267	△74,000	1,127,371
Cumulative effects of changes in accounting policies			△103,326		△103,326
Restated balance	357,070	1,370,569	△629,593	△74,000	1,024,045
Changes during period					
Issuance of new shares	687	687			1,375
Purchase of treasury shares				△79,416	△79,416
Disposal of treasury shares		△74,000		74,000	—
Net income attributable to owners of parent			405,442		405,442
Total changes during period	687	△73,312	405,442	△5,416	327,401
Balance at end of period	357,757	1,297,257	△224,151	△79,416	1,351,446

	Accumulated other comprehensive income		Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income	
Balance at beginning of period	—	—	1,127,371
Cumulative effects of changes in accounting policies			△103,326
Restated balance	—	—	1,024,045
Changes during period			
Issuance of new shares			1,375
Purchase of treasury shares			△79,416
Disposal of treasury shares			—
Net income attributable to owners of parent			405,442
Total changes during period	—	—	327,401
Balance at end of period	—	—	1,351,446

Consolidated Statements of Cash Flows

(Thousands of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from operating activities		
Net income before income taxes	131,922	604,151
Amortization of deferred assets	155	709
Depreciation	208,775	244,483
Impairment loss	15,002	14,819
Amortization of goodwill	22,050	56,015
Increase (decrease) in allowance for doubtful accounts	—	22,828
Interest and dividend income	△2,765	△2,639
Accrued interest expenses	107,003	117,286
Loss on sales of property, plant and equipment	—	△58,029
Decrease (increase) in trade receivable	△216,207	△154,759
Decrease (increase) in inventories	△6,583	△1,695
Increase (decrease) in provision for bonuses	18,961	15,137
Increase (decrease) in retirement benefit liability	34,241	50,892
Loss on retirement of property, plant and equipment	—	32,107
Increase (decrease) in unearned revenue	89	18,038
Increase (decrease) in accrued expenses	5,917	47,130
Increase (decrease) in accrued consumption taxes	△46,035	63,186
Other, net	218,591	△503,408
Subtotal	491,121	566,254
Interest and dividend income received	3,686	1,998
Interest expenses	△106,921	△117,614
Income taxes paid	△132,481	△7,286
Net cash provided by (used in) operating activities	255,405	443,351
Cash flows from investing activities		
Proceed from withdrawal of time deposits		50,000
Payments into time deposits	70,011	50,000
Purchase of property, plant and equipment	△1,569,990	△1,081,080
Proceeds from sales of property, plant and equipment	286	255,663
Purchase of intangible assets	△62,396	△88,656
Purchase of investment securities	—	△50,000
Loan advances	△300,000	—
Collection of loans receivable	830	760
Subsidy income	—	497,296
Payments for leasehold and guarantee deposits	△133,588	△99,063
Proceeds from collection of leasehold and guarantee deposit	39,140	26,525
Purchase of long-term prepaid expenses	△16,268	△502
Proceeds from sales of long-term prepaid expenses	12	—
Collection of construction assistance fund receivables	14,328	14,245
Other, net		4,311

(Thousands of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Net cash provided by (used in) investing activities	△1,957,634	△497,749

(Thousands of yen)

	Year ended March 31, 2021	Year ended March 31, 2022
Cash flows from financing activities		
Increase (decrease) in short-term loans payable	546,000	420,627
Proceeds from long-term loans payable	1,873,000	1,402,700
Repayments of long-term loans payable	△663,568	△1,493,960
Proceeds from issuance of common shares	—	1,375
Purchase of treasury shares	—	△79,416
Repayments of installment payables	△6,802	△10,370
Repayments of finance lease obligations	△19,587	△23,378
Net cash provided by financing activities	1,729,042	217,576
Net increase (decrease) in cash and cash equivalents	26,813	163,179
Cash and cash equivalents at beginning of period	1,561,873	1,588,687
Cash and cash equivalents at end of period	1,588,687	1,751,866