

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2023 (Based on Japanese GAAP)

May 12, 2023

Company name: Riskmonster.com
 Stock exchange listing: Tokyo
 Stock code: 3768 URL <https://www.riskmonster.co.jp>
 Representative: President, CEO Taichi Fujimoto
 General Manager, Finance and Accounting
 Inquiries: Division Maki Yoshida TEL 03-6214-0331
 Scheduled date of ordinary general meeting of shareholders: June 27, 2023
 Scheduled date to file Securities Report: June 27, 2023
 Scheduled date to commence dividend payments: June 9, 2023
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(1) Consolidated operating results

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2023	3,744	0.0	565	(15.6)	552	(20.3)	360	(21.5)
Year ended March 31, 2022	3,745	5.5	669	2.3	693	3.1	459	4.8

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2023	47.60	–	6.2	8.1	15.1
Year ended March 31, 2022	61.32	–	8.2	10.2	17.9

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2023	6,677	5,845	86.7	774.13
As of March 31, 2022	6,940	5,894	84.1	774.16

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2023	916	(790)	(272)	1,903
Year ended March 31, 2022	651	(793)	(248)	2,052

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2022	–	0.00	–	14.50	14.50	109	23.6	1.9
Year ended March 31, 2023	–	0.00	–	14.75	14.75	110	31.0	1.9
Year ending March 31, 2024 (Forecast)	–	0.00	–	15.00	15.00		28.8	

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	3,900	4.1	610	7.9	610	10.4	390	8.2	52.16

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2023

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: Yes

Restatement of prior period financial statements: No

(3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2023	7,636,922 shares	As of March 31, 2022	7,546,922 shares
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Number of treasury shares at the end of the period

As of March 31, 2023	160,368 shares	As of March 31, 2022	6,468 shares
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Average number of shares during the period

Year ended March 31, 2023	7,571,038 shares	Year ended March 31, 2022	7,486,728 shares
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Consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	2,153,476	2,004,666
Accounts receivable - trade	488,258	463,961
Raw materials and supplies	10,776	13,226
Other	82,247	94,752
Allowance for doubtful accounts	(678)	(662)
Total current assets	2,734,080	2,575,945
Non-current assets		
Property, plant and equipment		
Buildings and structures	586,364	585,223
Accumulated depreciation	(162,279)	(181,306)
Buildings and structures, net	424,084	403,916
Tools, furniture and fixtures	373,399	375,015
Accumulated depreciation	(298,805)	(311,409)
Tools, furniture and fixtures, net	74,593	63,606
Land	568,352	568,352
Leased assets	4,713	16,389
Accumulated depreciation	(2,029)	(2,815)
Leased assets, net	2,684	13,574
Construction in progress	–	4,883
Total property, plant and equipment	1,069,714	1,054,333
Intangible assets		
Goodwill	52,375	46,862
Software	931,916	1,120,804
Contents assets	150,772	519,338
Other	269,891	70,288
Total intangible assets	1,404,955	1,757,293
Investments and other assets		
Investment securities	1,640,486	1,192,916
Deferred tax assets	5,965	29,535
Other	85,189	67,762
Allowance for doubtful accounts	(338)	(682)
Total investments and other assets	1,731,303	1,289,531
Total non-current assets	4,205,973	4,101,158
Total assets	6,940,053	6,677,103

(Thousands of yen)

	As of March 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Accounts payable - other	308,249	216,299
Current portion of long-term borrowings	60,160	60,160
Lease liabilities	855	4,351
Income taxes payable	79,048	121,381
Provision for bonuses	1,596	2,919
Other	129,513	122,231
Total current liabilities	579,424	527,343
Non-current liabilities		
Long-term borrowings	95,320	35,160
Lease liabilities	2,168	15,916
Deferred tax liabilities	326,971	205,140
Retirement benefit liability	26,571	29,266
Other	14,769	18,742
Total non-current liabilities	465,800	304,226
Total liabilities	1,045,225	831,569
Net assets		
Shareholders' equity		
Share capital	1,155,993	1,188,168
Capital surplus	795,514	828,493
Retained earnings	3,054,963	3,306,001
Treasury shares	(4,494)	(110,918)
Total shareholders' equity	5,001,976	5,211,745
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	815,376	555,569
Foreign currency translation adjustment	20,172	20,544
Total accumulated other comprehensive income	835,548	576,114
Share acquisition rights	286	286
Non-controlling interests	57,016	57,388
Total net assets	5,894,827	5,845,533
Total liabilities and net assets	6,940,053	6,677,103

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Thousands of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net sales	3,745,660	3,744,813
Cost of sales	1,737,733	1,772,895
Gross profit	2,007,927	1,971,917
Selling, general and administrative expenses	1,338,265	1,406,833
Operating profit	669,661	565,083
Non-operating income		
Interest income	552	107
Dividend income	17,183	13,226
Gain on investments in investment partnerships	27,085	–
Other	825	1,287
Total non-operating income	45,647	14,621
Non-operating expenses		
Interest expenses	2,213	1,445
Foreign exchange losses	4,355	3,177
Commitment fees	2,866	2,806
Commission expenses	8,800	18,476
Donations	3,000	–
Other	789	1,249
Total non-operating expenses	22,024	27,156
Ordinary profit	693,284	552,548
Extraordinary income		
Gain on sale of investment securities	1,217	690
Total extraordinary income	1,217	690
Extraordinary losses		
Loss on retirement of non-current assets	305	2,124
Loss on valuation of investment securities	–	0
Loss on sale of investment securities	647	2,621
Impairment losses	–	1,219
Office relocation expenses	–	2,311
Loss on valuation of golf club membership	–	5,000
Loss on cancellation of leases	–	4,677
Total extraordinary losses	952	17,953
Profit before income taxes	693,548	535,285
Income taxes - current	185,627	204,537
Income taxes - deferred	46,890	(30,768)
Total income taxes	232,518	173,769
Profit	461,030	361,516
Profit attributable to non-controlling interests	1,954	1,141
Profit attributable to owners of parent	459,076	360,374

Consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Profit	461,030	361,516
Other comprehensive income		
Valuation difference on available-for-sale securities	61,654	(259,889)
Foreign currency translation adjustment	7,419	490
Total other comprehensive income	69,073	(259,399)
Comprehensive income	530,103	102,117
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	526,295	100,940
Comprehensive income attributable to non-controlling interests	3,808	1,176

Consolidated statements of changes in equity

Fiscal year ended March 31, 2022

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,155,993	785,621	2,700,279	(63,264)	4,578,629
Changes during period					
Dividends of surplus			(104,391)		(104,391)
Profit attributable to owners of parent			459,076		459,076
Issuance of new shares					–
Purchase of treasury shares					–
Disposal of treasury shares		9,892		58,770	68,662
Change in scope of consolidation					–
Net changes in items other than shareholders' equity					
Total changes during period	–	9,892	354,684	58,770	423,347
Balance at end of period	1,155,993	795,514	3,054,963	(4,494)	5,001,976

	Accumulated other comprehensive income			Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of period	753,795	14,533	768,329	–	53,208	5,400,167
Changes during period						
Dividends of surplus						(104,391)
Profit attributable to owners of parent						459,076
Issuance of new shares						–
Purchase of treasury shares						–
Disposal of treasury shares						68,662
Change in scope of consolidation						–
Net changes in items other than shareholders' equity	61,580	5,638	67,219	286	3,808	71,313
Total changes during period	61,580	5,638	67,219	286	3,808	494,660
Balance at end of period	815,376	20,172	835,548	286	57,016	5,894,827

Fiscal year ended March 31, 2023

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,155,993	795,514	3,054,963	(4,494)	5,001,976
Changes during period					
Dividends of surplus			(109,336)		(109,336)
Profit attributable to owners of parent			360,374		360,374
Issuance of new shares	32,175	32,175			64,350
Purchase of treasury shares				(106,424)	(106,424)
Disposal of treasury shares					–
Change in scope of consolidation		804			804
Net changes in items other than shareholders' equity					
Total changes during period	32,175	32,979	251,038	(106,424)	209,768
Balance at end of period	1,188,168	828,493	3,306,001	(110,918)	5,211,745

	Accumulated other comprehensive income			Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of period	815,376	20,172	835,548	286	57,016	5,894,827
Changes during period						
Dividends of surplus						(109,336)
Profit attributable to owners of parent						360,374
Issuance of new shares						64,350
Purchase of treasury shares						(106,424)
Disposal of treasury shares						–
Change in scope of consolidation					(804)	–
Net changes in items other than shareholders' equity	(259,807)	372	(259,434)	–	1,176	(258,257)
Total changes during period	(259,807)	372	(259,434)	–	371	(49,294)
Balance at end of period	555,569	20,544	576,114	286	57,388	5,845,533

Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	693,548	535,285
Depreciation	419,354	531,613
Amortization of guarantee deposits	2,343	3,715
Amortization of goodwill	2,756	5,513
Increase (decrease) in allowance for doubtful accounts	93	328
Increase (decrease) in retirement benefit liability	161	2,695
Interest and dividend income	(17,736)	(13,333)
Loss (gain) on investments in investment partnerships	(27,085)	67
Loss on retirement of non-current assets	305	2,124
Impairment losses	–	1,219
Relocation expenses	–	2,311
Loss on valuation of golf club membership	–	5,000
Loss on cancellation of leases	–	4,677
Interest expenses	2,213	1,445
Foreign exchange losses (gains)	4,355	3,177
Loss (gain) on sale of investment securities	(570)	1,930
Decrease (increase) in trade receivables	18,538	23,972
Decrease (increase) in inventories	5,891	(2,449)
Increase (decrease) in accounts payable - other	(132,285)	(100,352)
Other, net	(13,072)	47,962
Subtotal	958,814	1,056,905
Interest and dividends received	14,985	11,283
Interest paid	(1,988)	(1,223)
Income taxes paid	(320,344)	(161,649)
Income taxes refund	–	11,628
Net cash provided by (used in) operating activities	651,467	916,943
Cash flows from investing activities		
Purchase of property, plant and equipment	(10,641)	(27,706)
Purchase of intangible assets	(845,602)	(832,733)
Purchase of investment securities	(90,800)	(5,000)
Proceeds from sale of investment securities	80,958	48,998
Payments into time deposits	(101,249)	(101,251)
Proceeds from withdrawal of time deposits	101,223	101,249
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	43,321	–
Other, net	29,353	26,414
Net cash provided by (used in) investing activities	(793,436)	(790,027)

(Thousands of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from financing activities		
Repayments of short-term borrowings	(40,000)	–
Repayments of long-term borrowings	(131,436)	(60,160)
Repayments of lease liabilities	(763)	(786)
Proceeds from disposal of treasury shares	30,378	–
Purchase of treasury shares	–	(99,965)
Dividends paid	(104,375)	(109,182)
Other, net	(2,598)	(2,806)
Net cash provided by (used in) financing activities	(248,794)	(272,900)
Effect of exchange rate change on cash and cash equivalents	(739)	(2,827)
Net increase (decrease) in cash and cash equivalents	(391,502)	(148,811)
Cash and cash equivalents at beginning of period	2,443,729	2,052,227
Cash and cash equivalents at end of period	2,052,227	1,903,415