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May 15, 2023

Consolidated Financial Results for the Year Ended March 31, 2023 (Under Japanese GAAP)

Company name: Living Platform, Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 7091
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Scheduled date of ordinary general meeting of shareholders: June 27, 2023
 Scheduled date to file Securities Report: June 29, 2023
 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, 2023

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

Year ended	Revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2023	13,694	17.8	△234	–	35	△93.9	91	△77.5
March 31, 2022	11,625	27.3	491	122.9	581	139.6	407	617.0

Note: Comprehensive income

As of March 31, 2023: 101 millions of yen (△74.5%)

As of March 31, 2022: 400 millions of yen (603.8%)

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, 2023	20.62	20.15	6.6	0.3	△1.7
March 31, 2022	90.93	90.13	33.0	5.9	4.2

(2) Consolidated financial position

As of	Total assets	Net assets (Total equity)	Equity ratio, Owner's equity to total assets	Net Assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2023	11,402	1,471	12.7	326.11
March 31, 2022	10,866	1,346	12.4	302.83

Reference: Total shareholders' equity

As of March 31, 2023: 1,450 millions of yen

As of March 31, 2022: 1,346 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, 2023	92	△15	53	1,882
March 31, 2022	443	△498	217	1,751

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, 2022	-	0.00	-	0.00	0.00	-	-	-
Fiscal year ended March 31, 2023	-	0.00	-	0.00	0.00	-	-	-
Fiscal year ending March 31, 2024 (Forecast)	-	0.00	-	0.00	0.00		-	

3. Consolidated Financial Result Forecasts for the Fiscal Year Ending March 31, 2024

	Revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Full year	16,928	23.6	246	—	266	653.9	182	98.5

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: No

[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, 2023

4,492,200 shares

As of March 31, 2022

4,489,500 shares

[2] Number of shares of treasury stock

As of March 31, 2023

43,158 shares

As of March 31, 2022

43,136 shares

[3] Average number of shares outstanding during the period

Year ended March 31, 2023

4,447,518 shares

Year ended March 31, 2021

4,486,551 shares

(Reference)

Non-consolidated financial results for the year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(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, 2023	1,047	△0.4	20	△65.6	18	△56.8	16	—
March 31, 2022	1,051	△69.7	58	△41.8	42	△7.9	△679	—

Year ended	Earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2023	3.80	3.71
March 31, 2022	△151.48	—

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

Year ended	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2023	3,790	1,220	31.6	274.25
As of March 31, 2022	3,056	1,182	38.7	265.91

(Reference) Equity (millions of yen)

As of March 31, 2023: 1,199.

As of March 31, 2022: 1,182.

* 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.

We are planning to hold an online earnings briefing for institutional investors and analysts on Jun 7th, 2023. The earnings briefing materials to be used on the day of the event will be available before the event date, and the proceedings of the briefing and the explanation content will be available on our website at a later date.

Consolidated Financial Statements

Consolidated Balance Sheets

(Thousands of yen)

	Year ended March 31, 2022	Year ended March 31, 2023
ASSETS		
Current assets		
Cash and deposits	1,751,866	1,882,552
Notes and accounts receivable-trade	1,555,354	1,684,208
Inventories	3,533	4,541
Raw materials and supplies	22,519	28,441
Prepaid expenses	259,647	281,951
Other	209,689	540,440
Allowance for doubtful accounts	—	△8,493
Total current assets	3,802,610	4,413,643
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,272,740	2,283,291
Vehicles, net	5,140	6,556
Tools, furniture and fixtures, net	91,258	112,984
Land	1,620,078	1,301,744
Lease assets, net	508,946	471,409
Construction in progress	271,883	335,821
Other, net	23,387	32,137
Total property, plant and equipment	4,793,435	4,543,945
Intangible assets		
Goodwill	983,015	1,009,929
Software	18,056	47,825
Other	56,619	58,656
Total intangible assets	1,057,692	1,116,412
Investments and other assets		
Investment securities	88,837	115,000
Long-term loans receivable	29,355	29,017
Long-term prepaid expenses	27,159	41,376
Deferred tax assets	150,040	100,325
Guarantee deposits	743,040	884,952
Other	196,925	184,854
Allowance for accounts receivable	△22,828	△26,754
Total investments and other assets	1,212,530	1,328,772
Total non-current assets	7,063,658	6,989,130
Total assets	10,866,268	11,402,773

(Thousands of yen)

	Year ended March 31, 2022	Year ended March 31, 2023
Liabilities		
Current liabilities		
Short-term borrowings	287,503	925,553
Current portion of long-term borrowings	1,051,301	1,296,657
Lease obligations	28,170	31,075
Accounts payable – other	346,038	443,129
Accrued expenses	558,232	650,723
Income taxes payable	234,905	29,219
Unearned revenue	292,598	288,141
Withholdings	55,447	97,004
Provision for bonuses	93,865	111,546
Other	70,000	116,265
Total current liabilities	3,018,063	3,989,316
Non-current liabilities		
Long-term borrowings	4,825,642	4,114,830
Long-term advance received	377,129	391,242
Lease obligations	643,883	611,498
Retirement benefit liability	198,499	258,867
Deferred tax liability	6,085	38,435
Other	450,467	526,588
Total non-current liabilities	6,501,708	5,941,462
Total liabilities	9,519,771	9,930,779
Net assets		
Shareholders' equity		
Share Capital	357,757	358,995
Capital surplus	1,297,257	905,241
Retained earnings	△221,630	263,324
Treasury shares	△79,416	△79,459
Total shareholders' equity	1,353,967	1,448,102
Accumulated other comprehensive income		
Net unrealized gains on securities	△7,470	2,760
Accumulated other comprehensive income total	△7,470	2,760
Subscription rights to shares	—	21,131
Total net assets	1,346,496	1,471,994
Total liabilities and net assets	10,866,268	11,402,773

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

(Thousands of yen)

	Year ended March 31, 2022	Year ended March 31, 2023
Net sales	11,625,387	13,694,420
Cost of sales	10,293,401	12,415,207
Gross profit	1,331,986	1,279,213
Selling, general and administrative expenses	840,748	1,513,608
Operating profit (loss)	491,237	△234,394
Non-operating income		
Interest income	2,639	401
Subsidy income	405,484	383,127
Other	42,351	45,438
Total non-operating income	450,476	428,968
Non-operating expenses		
Interest expenses	117,286	114,251
Non-deductible consumption taxes	212,429	4,447
Loss from bad debts	22,828	3,925
Other	7,934	36,665
Total non-operating expenses	360,479	159,288
Ordinary profit (loss)	581,235	35,284
Extraordinary income		
Gain on sales of non-current assets	58,029	220,278
Gain on donation of cash	10,757	2,000
Income from reversal of subscription rights to shares	—	2,791
Total extraordinary income	68,786	225,069
Extraordinary losses		
Loss on disposal of property	14,287	40,265
Loss on tax purpose reduction entry of non-current assets	22,140	1,099
Loss on impairment	14,819	—
Total extraordinary losses	51,247	41,364
Profit before income taxes	598,774	218,988
Income taxes - current	260,898	49,609
Income taxes – differed	△70,088	77,677
Total income taxes	190,810	127,286
Profit (loss)	407,963	91,701
Profit (loss) attributable to owners of parent	407,963	91,701

Consolidated Statements of Comprehensive Income

(Thousands of yen)

	Year ended March 31, 2022	Year ended March 31, 2023
Profit (loss)	407,963	91,701
Other		
Unrealized gain/loss on available-for-sale securities	△7,470	10,230
Accumulated other comprehensive income total	△7,470	10,230
Comprehensive income	400,493	101,932
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	400,493	101,932

Consolidated Statements of Changes in Equity

Fiscal year ended March 31, 2023

(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	△526,267	△74,000	1,127,371
Cumulative effect of accounting changes			△103,326		△103,326
Balance at beginning of period reflecting the change in accounting policies					
Changes during period	687	687			1,375
Issuance of new shares				△79,416	△79,416
Purchase of treasury stock		△74,000		74,000	—
Disposition of treasury stock					—
Profit attributable to owners of parent			407,963		407,963
Net change in items other than shareholder equity for the period					
Total changes during period	687	△73,312	407,963	△5,416	329,921
Balance at end of period	357,757	1,297,257	△221,630	△79,416	1,353,967

	Accumulated other comprehensive income		Subscription warrant	Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income		
Balance at beginning of period	—	—	—	1,127,371
Cumulative effect of accounting changes				△103,326
Balance at beginning of period reflecting the change in accounting policies				
Changes during period				1,375
Issuance of new shares				△79,416
Purchase of treasury stock				—
Disposition of treasury stock				—
Net income attributable to owners of parent				407,963
Net change in items other than shareholder equity for the period	△7,470	△7,470	—	△7,470
Total changes during period	△7,470	△7,470	—	322,451
Balance at end of period	△7,470	△7,470	—	1,346,496

Fiscal year ended March 31, 2023

(Thousands of yen)

	Shareholders' equity				
	Capital stock	Capital stock	Capital stock	Capital stock	Capital stock
Balance at beginning of period	357,757	1,297,257	△221,630	△79,416	1,353,967
Changes during period					
Issuance of new shares	1,237	1,237			2,475
Purchase of treasury shares				△42	△42
Transfer from retained earnings		△393,253	393,253		—
Net income attributable to owners of parent			91,701		91,701
Net changes of items other than shareholders equity					
Total changes during period	1,237	△392,015	484,955	△42	94,135
Balance at end of period	358,995	905,241	263,324	△79,459	1,448,102

	Accumulated other comprehensive income		Subscription warrant	Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income		
Balance at beginning of period	△7,470	△7,470	—	1,346,496
Changes during period				
Issuance of new shares				2,475
Purchase of treasury shares				△42
Transfer from retained earnings				—
Net income attributable to owners of parent				91,701
Net changes of items other than shareholders equity	10,230	10,230	21,131	31,362
Total changes during period	10,230	10,230	21,131	125,497
Balance at end of period	2,760	2,760	21,131	1,471,994

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		
Net income before income taxes	598,774	218,988
Depreciation	244,741	223,337
Impairment loss	14,819	—
Amortization of goodwill	56,015	100,615
Increase (decrease) in allowance for doubtful accounts	22,828	12,418
Interest and dividend income	△2,639	△401
Accrued interest expenses	117,286	114,251
Loss on sales of property, plant and equipment	△43,742	△180,012
Loss on retirement of property, plant and equipment	22,140	1,099
Decrease (increase) in trade receivable	△154,759	△97,958
Decrease (increase) in inventories	△1,695	△6,603
Increase (decrease) in provision for bonuses	15,137	14,810
Increase (decrease) in retirement benefit liability	50,892	60,367
Increase (decrease) in unearned revenue	18,038	△9,868
Increase (decrease) in accrued expenses	47,130	128,717
Increase (decrease) in accrued consumption taxes	63,186	39,977
Other, net	△468,877	△161,142
Subtotal	599,277	458,597
Interest and dividend income received	1,998	401
Interest expenses	△117,614	△114,307
Income taxes paid	△40,052	△251,694
Net cash provided by (used in) operating activities	443,609	92,998
Cash flows from investing activities		
Payments into time deposits	△50,000	—
Proceeds on time deposits	50,000	—
Purchase of property, plant and equipment	△1,081,667	△822,952
Proceeds from sales of property, plant and equipment	255,992	1,130,364
Purchase of intangible assets	△88,656	△40,867
Purchase of investment securities	△50,000	△26,704
Collection of loans receivable	760	608
Subsidy income	497,296	—
Purchase of shares of subsidiaries	22,752	△128,427
Payments for leasehold and guarantee deposits	△99,063	△160,118
Proceeds from collection of leasehold and guarantee deposit	26,525	18,205
Purchase of long-term prepaid expenses	△502	△12,942
Collection of construction assistance fund receivables	14,245	14,577
Others	4,311	12,709
Net cash provided by (used in) investing activities	△498,006	△15,548

(Thousands of yen)

	Year ended March 31, 2022	Year ended March 31, 2023
Cash flows from financing activities		
Increase (decrease) in short-term loans payable	420,627	638,050
Proceeds from long-term loans payable	1,402,700	1,190,597
Repayments of long-term loans payable	△1,493,960	△1,743,612
Proceeds from issuance of common shares	1,375	2,475
Purchase of treasury shares	△79,416	△42
Repayments of installment payables	△10,370	—
Repayments of finance lease obligations	△23,378	△34,231
Net cash provided by financing activities	217,576	53,236
Net increase (decrease) in cash and cash equivalents	163,179	130,686
Cash and cash equivalents at beginning of period	1,588,687	1,751,866
Cash and cash equivalents at end of period	1,751,866	1,882,552