

May 11, 2023

## Consolidated Financial Results for the Fiscal Year Ended March, 31 2023 <under IFRS>

Company name: PRONEXUS INC.  
 Listing: Tokyo Stock Exchange  
 Stock code: 7893  
 URL: <https://www.pronexus.co.jp>  
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 TEL: +81-3-5777-3111 (from overseas)  
 Scheduled date of ordinary general meeting of shareholders: June 28, 2023  
 Scheduled date to commence dividend payments: June 13, 2023  
 Scheduled date to file Securities Report: June 29, 2023  
 Preparation of supplementary material on earnings: Yes  
 Holding of earnings performance review: Yes (for analysts)

(Millions of yen with fractional amounts rounded, unless otherwise noted)

### 1. Consolidated performance for the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

## (1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Revenue		Operating profit		Profit before tax		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended								
March 31, 2023	26,804	2.5	2,212	(10.9)	2,391	(8.9)	1,625	(8.1)
March 31, 2022	26,142	4.6	2,483	16.6	2,624	4.8	1,769	4.3

	Profit attributable to owners of parent		Total comprehensive income		Basic earnings per share	Diluted earnings per share
	Millions of yen	%	Millions of yen	%	Yen	Yen
Fiscal year ended						
March 31, 2023	1,618	(8.2)	1,932	(5.8)	63.43	—
March 31, 2022	1,763	4.2	2,051	(3.2)	68.18	—

	Return on equity attributable to owners of parent	Ratio of profit before tax to total assets	Ratio of operating profit to revenue
	%	%	%
Fiscal year ended			
March 31, 2023	6.8	6.6	8.3
March 31, 2022	7.5	7.3	9.5

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

Fiscal year ended March 31, 2023:	96 million yen
Fiscal year ended March 31, 2022:	79 million yen

## (2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets	Equity attributable to owners of parent per share
As of	Millions of yen	Millions of yen	Millions of yen	%	Yen
March 31, 2023	36,918	24,436	24,395	66.1	956.34
March 31, 2022	35,560	23,453	23,421	65.9	918.12

## (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Period-end cash and cash equivalents
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2023	3,600	(6,478)	(1,762)	7,574
March 31, 2022	3,843	(1,609)	(2,894)	12,208

## 2. Cash dividends

	Annual dividends				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2022	—	16.00	—	19.00	35.00
Fiscal year ended March 31, 2023	—	18.00	—	18.00	36.00
Fiscal year ending March 31, 2024 (Forecast)	—	18.00	—	18.00	36.00

	Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to equity attributable to owners of parent (Consolidated)
	Millions of yen	%	%
Fiscal year ended March 31, 2022	893	51.3	3.9
Fiscal year ended March 31, 2023	918	56.8	3.8
Fiscal year ending March 31, 2024 (Forecast)		55.7	

### 3. Consolidated earnings forecasts for the fiscal year 2024 (from April 1, 2023 to March 31, 2024)

(Percentages indicate year-on-year changes.)

	Revenue		Operating profit		Profit before tax		Profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First six months ending September 30, 2023	17,400	8.6	2,630	(2.5)	2,630	(4.6)	1,820	(2.5)	1,820	(2.3)	71.35
Fiscal year ending March 31, 2024	30,000	11.9	2,400	8.5	2,400	0.4	1,650	1.6	1,650	2.0	64.68

#### \* Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None

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

- a. Changes in accounting policies required by IFRS: None
- b. Changes in accounting policies due to other reasons: None
- c. Changes in accounting estimates: None

(3) Number of issued shares (common shares)

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

As of March 31, 2023	27,716,688 shares
As of March 31, 2022	27,716,688 shares

b. Number of treasury shares at the end of the period

As of March 31, 2023	2,207,521 shares
As of March 31, 2022	2,207,421 shares

c. Average number of shares during the period

For the fiscal year ended March 31, 2023	25,509,198 shares
For the fiscal year ended March 31, 2022	25,855,870 shares

## [Reference] Overview of non-consolidated performance

### 1. Non-consolidated performance for the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(1) Non-consolidated operating results (Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2023	25,155	2.9	1,752	(7.4)	2,290	(11.8)	1,606	(16.8)
March 31, 2022	24,450	2.8	1,893	(10.3)	2,595	11.0	1,931	41.1

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2023	62.97	—
March 31, 2022	74.67	—

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2023	28,393	22,199	78.2	870.25
March 31, 2022	27,454	21,368	77.8	837.67

Reference: Equity

As of March 31, 2023:

22,199 million yen

As of March 31, 2022:

21,368 million yen

\* **Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.**

\* **Proper use of earnings forecasts, and other special matters**

(Caution regarding forward-looking statements and others)

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to PRONEXUS INC. (hereinafter the “Company”) and on certain assumptions deemed to be reasonable. Consequently, any statements herein do not constitute assurances regarding actual results by the Company. Actual business and other results may differ substantially due to various factors. Please refer to the section of “(4) Future outlook” of “1. Review of operating results and others” on page 5 of [Attached Material] for the suppositions that form the assumptions for earnings forecasts and cautions concerning the use thereof.

(Means of access to contents of supplementary material on earnings and earnings performance review)

The Company holds presentations for analysts regarding the first six-months and year-end results. Distributed presentation materials as well as video recordings of the performance reviews will be available on the Company’s website. Furthermore, depending on the future state of COVID-19, we may not hold the briefings in person, and instead only upload briefing videos on earnings.

[Attached Material]

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## 1. Review of operating results and others

### (1) Review of operating results for the fiscal year under review

#### (i) Condition of Japanese economy

During the fiscal year ended March 31, 2023, the Japanese economy experienced a recovery in personal consumption due to the easing of COVID-19 restrictions on individuals and economic activities. As a result, we saw an overall positive trend in corporate results.

However, in addition to surging resource prices caused by Russia's invasion of Ukraine, as a result of the Japanese yen plunging due to the European and U.S. central banks raising interest rates, a rapid increase in prices and other factors, the future of the economy remains unclear.

In the securities markets of Japan, to which the business of the Company is closely linked, against a backdrop of a rapidly weakening yen, the Nikkei Stock Average trended mainly in the lower 27,000-yen level. The Nikkei Stock Average trended mainly in the lower 28,000-yen level in the same period of the previous fiscal year, meaning stock price levels in the fiscal year ended March 31, 2023 fell below previous year levels.

#### (ii) Review of performance

##### 1) Sales performance

In the fiscal year under review, the Tokyo Stock Exchange started new market segments in April 2022 at the beginning of the period. In the Prime Market, one of the new segments, principles requiring a higher level of governance standards were applied for updated Japan's Corporate Governance Code. Consequently, there has been a move to strengthen information provision to shareholders and investors particularly among companies listed on the Prime Market, and related products such as shareholder convocation notices and English translation services lead to increased revenue. On the other hand, against the backdrop of European and U.S. central banks raising interest rates and the resulting sharp drop in the yen, the J-REIT market and the foreign bond market were weak compared to the same period of the previous fiscal year, and orders for associated products decreased. As a result, consolidated revenue in the fiscal year ended March 31, 2023 was 26,804 million yen, an increase of 662 million yen, or 2.5%, year on year.

##### <Listed companies disclosure-related business>

Regarding shareholder convocation notices, one of our mainstay products, there was further growth in response to the revision of Japan's Corporate Governance Code, and the shift to color printing for notices and expansion of the information provided continued to increase.

Furthermore, our unit price for orders also increased due to the increased number of individual shareholders and higher number of pages as many listed companies amended their articles of incorporation to respond to electronic provision methods for materials for shareholders' meetings. In addition, with persisting high demands for operational streamlining in line with work-style reform, orders increased in outsourcing services for the preparation of disclosure documents. As a result, revenue of the listed companies disclosure-related business was 11,733 million yen, an increase of 465 million yen, or 4.1%, year on year.

##### <Listed companies IR-related, etc. business>

The Tokyo Stock Exchange began new market segmentations in April of last year, and the Corporate Governance Code for the prime market was applied, requiring disclosure in English and widening disclosure of non-financial information. In harmony with this, there has been a steady increase in English translation services for financial results reports and shareholder convocation notice of general meetings of shareholders, along with an increase in orders for consulting related to non-financial information. In addition, visualization services for shareholders' meetings and support services for virtual shareholders' meetings to promote communication with shareholders have also helped to increase revenue. As a result, revenue of the listed companies IR-related, etc. business was 7,413 million yen, an increase of 499 million yen, or 7.2%, year on year.

### <Financial instruments disclosure-related business>

In the market for investment trusts in Japan, there was a partial slowdown in the establishment of new funds, but an increase in orders for asset management reports, which are a regular product. On the other hand, against the backdrop of European and U.S. central banks raising interest rates and the resulting sharp drop in the yen, the J-REIT market was weak mainly due to foreign investors hesitating to buy, and the issuance of foreign bonds decreased compared to the same period of the previous fiscal year, leading to a decrease in orders for related products. As a result, revenue of the financial instruments disclosure-related business was 6,627 million yen, a decrease of 263 million yen, or 3.8%, year on year.

### <Database-related business>

In the database-related business, although we worked to acquire orders from new customers, there were some cancellations and decreases in unit prices during contract renewals for existing customers. As a result, revenue of the database-related business was 1,031 million yen, a decrease of 39 million yen, or 3.7%, year on year.

### Revenue by product areas

(Thousands of yen, with fractional amounts discarded)

	Fiscal year ended March 31, 2022		Fiscal year ended March 31, 2023		Change	
	Amount (Thousands of yen)	Composition ratio (%)	Amount (Thousands of yen)	Composition ratio (%)	Amount (Thousands of yen)	(%)
Listed companies disclosure-related business	11,267,332	43.1	11,732,711	43.8	465,379	4.1
Listed companies IR-related, etc. business	6,913,985	26.4	7,413,206	27.7	499,221	7.2
Financial instruments disclosure-related business	6,889,936	26.4	6,626,635	24.7	(263,301)	(3.8)
Database-related business	1,070,596	4.1	1,031,487	3.8	(39,109)	(3.7)
Total	26,141,848	100.0	26,804,039	100.0	662,191	2.5

Note: Amounts are based on sales prices.

### 2) Earnings summary

In the fiscal year under review, revenue increased by 662 million yen year on year, with revenue in product areas including listed companies disclosure-related business and listed companies IR-related, etc. business exceeding the same period of the previous fiscal year. Cost of sales rose by 1,057 million yen year on year due to increases in labor costs and outsourcing expenses to respond to increased orders, as well as expenses associated with updating the support system for the preparation of disclosure documents, higher costs for printing paper from surging raw materials prices, and other factors. Consequently, the cost-to-sales ratio rose to 63.8%, an increase of 2.4 percentage points year on year. As a result, gross profit was 9,692 million yen, a decrease of 394 million yen, or 3.9%, year on year. Meanwhile, selling, general and administrative expenses decreased by 123 million yen, or 1.6% year on year, to 7,451 million yen resulting from efforts to improve operational efficiency and reduce costs, and a reactionary decline in spot expenses such as DX investment due to the COVID-19 pandemic, and the selling, general and administrative expenses ratio decreased by 1.2 percentage points year on year to 27.8%. As a result, operating profit was 2,212 million yen, a decrease of 271 million yen, or 10.9%, year on year.

In addition, finance income was 90 million yen, finance costs were 6 million yen and share of profit of investments accounted for using equity method was 96 million yen, resulting in profit before tax of 2,391 million yen, a decrease of 233 million yen, or 8.9%, year on year. As a result,

profit attributable to owners of parent was 1,618 million yen, a decrease of 145 million yen, or 8.2%, year on year.

## **(2) Review of financial position for the fiscal year under review**

At the end of the fiscal year under review, total assets increase by 1,358 million yen from the previous fiscal year-end to 36,918 million yen.

Current assets decreased by 3,995 million yen to 13,534 million yen. The main components included a decrease of 4,634 million yen in cash and cash equivalents and an increase of 550 million yen in trade and other receivables. Non-current assets increased by 5,353 million yen to 23,384 million yen. The main components included an increase 4,668 million yen in goodwill and an increase of 402 million yen in other financial assets.

At the end of the fiscal year under review, total liabilities increase by 376 million yen from the previous fiscal year-end to 12,482 million yen.

Current liabilities increased by 330 million yen to 6,622 million yen. The main components included an increase of 103 million yen in trade and other payables and an increase of 124 million yen in other current liabilities. Non-current liabilities increased by 46 million yen to 5,860 million yen. The main components included a decrease of 249 million yen in lease liabilities, an increase of 116 million yen in retirement benefit liability, and an increase of 85 million yen in other non-current liabilities.

Equity totaled 24,436 million yen at the end of the fiscal year under review, an increase of 983 million yen from the previous fiscal year-end. The main components included an increase due to the recording of 1,618 million yen in profit attributable to owners of parent, and a decrease due to dividends of surplus of 944 million yen.

## **(3) Review of cash flows for the fiscal year under review**

The balance of cash and cash equivalents (hereinafter “cash”) as of March 31, 2023 amounted to 7,574 million yen, down 4,634 million yen (down 38.0% year on year) compared with the previous fiscal year-end.

The respective cash flow positions and the factors thereof in the fiscal year under review are as follows.

### *Cash flows from operating activities*

Net cash provided by operating activities was 3,600 million yen (3,843 million yen was provided in the previous fiscal year). As a main breakdown of cash provided, profit before tax was 2,391 million yen, while income from operations after adjustment for non-cash items was 4,379 million yen and interest and dividends received was 59 million yen. As a main breakdown of cash used, income taxes paid totaled 832 million yen.

### *Cash flows from investing activities*

Net cash used in investing activities was 6,478 million yen (1,609 million yen was used in the previous fiscal year). As a main breakdown of cash used, purchase of intangible assets was 1,306 million yen and expenses for acquisition of control of subsidiaries was 4,809 million yen.

### *Cash flows from financing activities*

Net cash used in financing activities was 1,762 million yen (2,894 million yen was used in the previous fiscal year). As a main breakdown of cash used, repayments of lease liabilities was 811 million yen and dividends paid was 945 million yen.



#### (4) Future outlook

(Percentages indicate year-on-year changes.)

Revenue		Operating profit		Profit before tax		Profit attributable to owners of parent		Basic earnings per share
Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
30,000	11.9	2,400	8.5	2,400	0.4	1,650	2.0	64.68

##### (i) Background and factors in fluctuations of revenue projection

Cine Holdings Co., Ltd., which became a subsidiary in March 2023, and Cine Focus Corp., a subsidiary of Cine Holdings Co., Ltd. will greatly contribute to consolidated revenue for the next fiscal year, and we forecast an increase of 3,196 million yen over the consolidated fiscal year ended March 31, 2023 to 30,000 million yen. As an event video service company, it is an essential partner for handling support services for shareholders' meetings in PRONEXUS's existing business, and by product category, the company's performance is added to listed company IR-related business, etc., which includes support services for the operation of shareholders' meetings. In this product category, the increase in orders for web services, English translation, and non-financial information disclosure consulting, etc. is expected to drive consolidated revenue during the next fiscal year.

At the shareholders' meeting held in March this year, a system for the electronic provision of convocation notices was introduced. It is estimated that around 70% of all companies will continue to use printed convocation notices with the same number of pages as before in the first year after the system is introduced. The Company expects this to have a negligible impact on consolidated revenue in the next fiscal year, and will compensate for the expected decrease in the number of printed pages of the approximately 30% of companies that use the new service in response to system changes.

##### Revenue by product areas

(Thousands of yen, with fractional amounts discarded)

	Fiscal year ended March 31, 2023		Fiscal year ending March 31, 2024		Change	
	Amount (Thousands of yen)	Composition ratio (%)	Amount (Thousands of yen)	Composition ratio (%)	Amount (Thousands of yen)	(%)
Listed companies disclosure-related business	11,732,711	43.8	11,900,000	39.7	167,289	1.4
Listed companies IR-related, etc. business	7,413,206	27.7	10,500,000	35.0	3,086,794	41.6
Financial instruments disclosure-related business	6,626,635	24.7	6,600,000	22.0	(26,635)	(0.4)
Database-related business	1,031,487	3.8	1,000,000	3.3	(31,487)	(3.1)
Total	26,804,039	100.0	30,000,000	100.0	3,195,961	11.9

##### (ii) Background and factors in fluctuations of profits projection

In terms of costs, changes in work processes and an increase in man-hours are expected as a result of introducing the system for providing convocation notices electronically, and initial costs, especially with labor and personnel expenses are expected as the new service begins. Despite the expected increase in costs due to the development of a support system for preparing disclosure documents and soaring paper and energy prices, we anticipate an increase in income as a result of increased sales and contributions from Cine Holdings Co., Ltd. and Cine Focus Corp.

Therefore, we expect ordinary profit of 2,400 million yen, up 188 million yen year on year, profit before tax of 2,400 million yen, up 9 million yen year on year, and profit attributable to owners of parent of 1,650 million yen, up 32 million yen year on year.

Currently, no significant increases or decreases in financial income or expenses are expected.

(iii) Relevance to medium-term management plan

The Company has formulated its “New Medium-term Management Plan 2024” covering three years from April 2022 through March 2025, and announced it on May 13, 2022. When it was announced, it was difficult to calculate how the introduction of the system for the electronic provision of convocation notices of general meetings of shareholders and the unification of quarterly disclosures would impact business performance. Therefore, earnings targets could not be set for the fiscal years ending March 2024 and March 2025, which are the second and third years of the new medium-term plan.

In March of this year, the system for electronic provision of convocation notices for general meetings of shareholders was introduced, and an overview of the system for unifying quarterly disclosures was also announced, which made it possible to calculate performance impact based on certain hypotheses. Therefore, today (May 11, 2023), the Company has announced performance targets.

**(5) Basic policy on profit distribution and dividends for fiscal 2022 and fiscal 2023**

(i) Dividends

The Company believes that returning profits to shareholders is a vital issue facing company management, and is taking a series of measures corresponding to our belief. The Company’s basic dividend policy is to conduct the stable, continuous payment of dividends, taking a comprehensive evaluation of business performance and the business environment into account. The Company’s standard for the dividend payout ratio is 50% or higher.

The Company forecasts annual dividends of 36 yen per share for the fiscal year under review with a year-end dividend of 18 yen in addition to the second quarter-end dividend of 18 yen, which has already been paid. This is expected to result in a dividend payout ratio of 56.8%.

Regarding the dividends for the next fiscal year, considering our basic policy based on stable dividends, the Company forecasts an annual dividend of 36 yen, comprising the second quarter-end and year-end dividends of 18 yen each.

(ii) Share buyback for treasury

The Company has always engaged in share buyback for treasury in consideration that it will contribute to returning profits to shareholders and improving capital efficiency. Although we did not acquire our own shares in the consolidated fiscal year under review, we will continue to consider it as a shareholder return measure, while also taking into consideration the balance between investment in equipment and human resources, and growth investment including M&A.

(iii) Shareholders benefit program

The Company also operates a shareholders benefit program using QUO prepaid card. The Company has established criteria under which the values of benefits awarded increase in accordance with the number of shares owned and the number of years they were owned.

Number of shares owned	Number of years owned				
	Less than 1 year	1 or more years but less than 3 years	3 or more years but less than 5 years	5 or more years but less than 10 years	10 years or more
100 or more but less than 1,000 shares	¥500	¥1,000	¥1,500	¥2,000	¥3,000
1,000 shares or more	¥1,000	¥3,000	¥5,000	¥7,000	¥10,000

## **2. Basic concept regarding selection of accounting standards**

The Company and its subsidiaries (the “Group”) has adopted International Financial Reporting Standards from the fiscal year ended March 31, 2020, to enhance the international comparability and convenience of its financial reporting in capital markets.

### 3. Consolidated financial statements and significant notes thereto

#### (1) Consolidated statement of financial position

(Thousands of yen)

	As of March 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and cash equivalents	12,207,624	7,574,004
Trade and other receivables	2,572,741	3,122,537
Other financial assets	1,741,441	1,883,697
Inventories	709,192	601,723
Other current assets	298,205	352,299
Total current assets	<u>17,529,204</u>	<u>13,534,261</u>
Non-current assets		
Property, plant and equipment	4,318,258	4,349,871
Right-of-use assets	3,067,975	2,930,134
Goodwill	472,287	5,140,687
Intangible assets	2,791,080	2,992,012
Investment property	186,322	186,322
Investments accounted for using equity method	825,274	900,821
Other financial assets	5,461,066	5,863,264
Deferred tax assets	856,831	956,474
Other non-current assets	51,487	64,380
Total non-current assets	<u>18,030,581</u>	<u>23,383,964</u>
Total assets	<u><u>35,559,785</u></u>	<u><u>36,918,225</u></u>

(Thousands of yen)

	As of March 31, 2022	As of March 31, 2023
Liabilities and equity		
Liabilities		
Current liabilities		
Borrowings	51,652	116,540
Lease liabilities	796,512	771,299
Trade and other payables	1,640,755	1,744,201
Income taxes payable	440,053	504,767
Contract liabilities	721,538	719,178
Other current liabilities	2,641,318	2,765,632
Total current liabilities	6,291,828	6,621,617
Non-current liabilities		
Borrowings	300,000	378,010
Lease liabilities	2,318,794	2,070,057
Retirement benefit liability	2,570,536	2,686,459
Provisions	204,329	219,391
Other non-current liabilities	421,061	506,549
Total non-current liabilities	5,814,721	5,860,466
Total liabilities	12,106,549	12,482,083
Equity		
Share capital	3,058,651	3,058,651
Capital surplus	4,694,634	4,688,104
Treasury shares	(2,269,362)	(2,269,465)
Other components of equity	941,708	1,064,206
Retained earnings	16,994,938	17,853,844
Total equity attributable to owners of parent	23,420,568	24,395,339
Non-controlling interests	32,668	40,803
Total equity	23,453,236	24,436,142
Total liabilities and equity	35,559,785	36,918,225

**(2) Consolidated statement of profit or loss and consolidated statement of comprehensive income**  
**(Consolidated statement of profit or loss)**

(Thousands of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Revenue	26,141,848	26,804,039
Cost of sales	(16,055,057)	(17,111,711)
Gross profit	10,086,791	9,692,328
Selling, general and administrative expenses	(7,574,083)	(7,450,982)
Other income	74,646	76,431
Other expenses	(104,484)	(105,638)
Operating profit	2,482,870	2,212,138
Finance income	68,340	89,729
Finance costs	(6,414)	(6,481)
Share of profit of investments accounted for using equity method	78,770	95,624
Profit before tax	2,623,567	2,391,011
Income tax expense	(855,052)	(766,462)
Profit	1,768,515	1,624,549
Profit attributable to		
Owners of parent	1,762,748	1,618,139
Non-controlling interests	5,767	6,410
Profit	1,768,515	1,624,549
Earnings per share		
Basic earnings per share (Yen)	68.18	63.43
Diluted earnings per share (Yen)	-	-

**(Consolidated statement of comprehensive income)**

(Thousands of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Profit	1,768,515	1,624,549
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	188,749	116,181
Remeasurements of defined benefit plans	62,893	184,738
Share of other comprehensive income of investments accounted for using equity method	1,232	959
Total of items that will not be reclassified to profit or loss	252,874	301,877
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	29,666	5,186
Total of items that may be reclassified to profit or loss	29,666	5,186
Other comprehensive income, net of tax	282,540	307,064
Comprehensive income	2,051,055	1,931,612
Comprehensive income attributable to		
Owners of parent	2,045,321	1,925,245
Non-controlling interests	5,734	6,367
Comprehensive income	2,051,055	1,931,612

**(3) Consolidated statement of changes in equity**

Fiscal year ended March 31, 2022

(Thousands of yen)

	Equity attributable to owners of parent					
	Share capital	Capital surplus	Treasury shares	Other components of equity		
				Exchange differences on translation of foreign operations	Financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans
Balance as of April 1, 2021	3,058,651	4,691,776	(2,082,303)	6,681	715,277	–
Profit						
Other comprehensive income				29,770	189,981	62,823
Total comprehensive income	–	–	–	29,770	189,981	62,823
Purchase of treasury shares			(1,215,119)			
Cancellation of treasury shares			1,028,060			
Dividends						
Changes in ownership interest in subsidiaries		2,858				
Transfer from other components of equity to retained earnings						(62,823)
Total transactions with owners	–	2,858	(187,059)	–	–	(62,823)
Balance as of March 31, 2022	3,058,651	4,694,634	(2,269,362)	36,450	905,258	–

	Equity attributable to owners of parent			Non-controlling interests	Total
	Other components of equity	Retained earnings	Total		
	Total				
Balance as of April 1, 2021	721,958	17,032,541	23,422,622	29,792	23,452,414
Profit	–	1,762,748	1,762,748	5,767	1,768,515
Other comprehensive income	282,574		282,574	(33)	282,540
Total comprehensive income	282,574	1,762,748	2,045,321	5,734	2,051,055
Purchase of treasury shares	–		(1,215,119)		(1,215,119)
Cancellation of treasury shares	–	(1,028,060)	–		–
Dividends	–	(835,114)	(835,114)		(835,114)
Changes in ownership interest in subsidiaries	–		2,858	(2,858)	–
Transfer from other components of equity to retained earnings	(62,823)	62,823	–		–
Total transactions with owners	(62,823)	(1,800,351)	(2,047,375)	(2,858)	(2,050,233)
Balance as of March 31, 2022	941,708	16,994,938	23,420,568	32,668	23,453,236



Fiscal year ended March 31, 2023

(Thousands of yen)

	Equity attributable to owners of parent					
	Share capital	Capital surplus	Treasury shares	Other components of equity		
				Exchange differences on translation of foreign operations	Financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans
Balance as of April 1, 2022	3,058,651	4,694,634	(2,269,362)	36,450	905,258	–
Profit						
Other comprehensive income				5,358	117,139	184,609
Total comprehensive income	–	–	–	5,358	117,139	184,609
Purchase of treasury shares			(103)			
Dividends						
Changes in ownership interest in subsidiaries		(6,530)				
Transfer from other components of equity to retained earnings						(184,609)
Total transactions with owners	–	(6,530)	(103)	–	–	(184,609)
Balance as of March 31, 2023	3,058,651	4,688,104	(2,269,465)	41,809	1,022,397	–

	Equity attributable to owners of parent			Non-controlling interests	Total
	Other components of equity	Retained earnings	Total		
	Total				
Balance as of April 1, 2022	941,708	16,994,938	23,420,568	32,668	23,453,236
Profit	–	1,618,139	1,618,139	6,410	1,624,549
Other comprehensive income	307,106		307,106	(43)	307,064
Total comprehensive income	307,106	1,618,139	1,925,245	6,367	1,931,612
Purchase of treasury shares	–		(103)		(103)
Dividends	–	(943,841)	(943,841)		(943,841)
Changes in ownership interest in subsidiaries	–		(6,530)	1,768	(4,762)
Transfer from other components of equity to retained earnings	(184,609)	184,609	–		–
Total transactions with owners	(184,609)	(759,233)	(950,474)	1,768	(948,706)
Balance as of March 31, 2023	1,064,206	17,853,844	24,395,339	40,803	24,436,142

**(4) Consolidated statement of cash flows**

(Thousands of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net cash provided by (used in) operating activities		
Profit before tax	2,623,567	2,391,011
Depreciation and amortization	2,019,712	2,082,580
Impairment losses	56,183	84,884
Finance income	(68,340)	(89,729)
Finance costs	6,414	6,481
Share of loss (profit) of investments accounted for using equity method	(78,770)	(95,624)
Decrease (increase) in inventories	(136,422)	110,048
Decrease (increase) in trade and other receivables	7,509	(253,742)
Increase (decrease) in trade and other payables	112,503	10,382
Increase (decrease) in retirement benefit liability	99,897	47,740
Increase (decrease) in accrued consumption taxes	(8,668)	53,062
Other	61,648	31,939
Subtotal	4,695,233	4,379,031
Interest and dividends received	45,976	59,431
Interest paid	(6,121)	(6,185)
Income taxes paid	(892,581)	(831,874)
Net cash provided by (used in) operating activities	3,842,507	3,600,403
Cash flows from investing activities		
Payments into time deposits	(229,760)	(287,052)
Proceeds from withdrawal of time deposits	233,410	247,046
Purchase of property, plant and equipment	(153,847)	(106,493)
Purchase of intangible assets	(1,228,648)	(1,306,330)
Purchase of investments	(322,932)	(411,795)
Proceeds (payments) for obtaining of control of subsidiaries	–	(4,808,888)
Other	93,207	195,612
Net cash provided by (used in) investing activities	(1,608,569)	(6,477,901)
Net cash provided by (used in) financing activities		
Repayments of long-term borrowings	(6,672)	(1,652)
Repayments of lease liabilities	(837,477)	(811,142)
Purchase of treasury shares	(1,215,119)	(103)
Dividends paid	(834,593)	(944,596)
Payments for acquisition of interests in subsidiaries from non-controlling interests	–	(4,762)
Net cash provided by (used in) financing activities	(2,893,861)	(1,762,255)
Net increase (decrease) in cash and cash equivalents	(659,924)	(4,639,754)
Cash and cash equivalents at beginning of period	12,845,107	12,207,624
Effect of exchange rate changes on cash and cash equivalents	22,440	6,134
Cash and cash equivalents at end of period	12,207,624	7,574,004

**(5) Notes to consolidated financial statements**

**(Notes on premise of going concern)**

No items to report

**(Segment information)**

As the Group consists of a single business segment, the disclosure-related business, this information is omitted.

**(Per share information)**

The basis of calculating basic earnings per share is as follows:

		Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Profit attributable to owners of parent	(Thousands of yen)	1,762,748	1,618,139
Weighted average number of common shares outstanding	(Shares)	25,855,870	25,509,198
Basic earnings per share	(Yen)	68.18	63.43

Note: Diluted earnings per share is not presented because there were no dilutive potential shares.

**(Significant subsequent events)**

No items to report