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Consolidated Financial Results for the Fiscal Year Ended March 31, 2022 [Japanese GAAP]

May 13, 2022

Company name: Raysum Co., Ltd. Stock exchange listing: Tokyo Stock Exchange
 Code number: 8890 URL: <http://www.raysum.co.jp/en/>
 Representative: Tsuyoshi Komachi, President and Representative Director
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 Scheduled date of Ordinary General Meeting of Shareholders: June 23, 2022
 Scheduled date of commencing dividend payments: June 24, 2022
 Scheduled date for filing of securities report: June 24, 2022
 Availability of supplementary briefing material on financial results: None
 Schedule of financial results briefing session: Yes (for institutional investors and analysts)

(Figures are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2022 (April 1, 2021 to March 31, 2022)

(1) Consolidated Results of Operations (% indicates changes from the previous corresponding period)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%
Fiscal year ended March 31, 2022	68,402	112.3	11,363	591.3	10,445	672.9	6,630	898.7
Fiscal year ended March 31, 2021	32,219	(41.4)	1,643	(86.6)	1,351	(88.7)	663	(91.6)

(Note) Comprehensive income: Fiscal year ended March 2022: ¥6,703 million yen (897.2%)
 Fiscal year ended March 2021: ¥672 million yen (-91.6%)

	Profit per share	Diluted profit per share	Return on Equity	Ordinary income to total assets	Operating income to net sales
	yen	yen	%	%	%
Fiscal year ended March 31, 2022	180.97	—	13.2	9.7	16.6
Fiscal year ended March 31, 2021	18.12	—	1.4	1.4	5.1

(Reference) Equity in earnings (losses) of affiliates: As of March 31, 2022: ¥- million
 As of March 31, 2021: ¥- million

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	million yen	million yen	%	yen
Fiscal year ended March 31, 2022	109,847	53,433	48.6	1,459.56
Fiscal year ended March 31, 2021	104,861	46,861	44.7	1,278.46

(Reference) Equity: Fiscal year ended March 2022: ¥53,422 million yen
 Fiscal year ended March 2021: ¥46,861 million yen

(3) Consolidated Cash Flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
	million yen	million yen	million yen	million yen
Fiscal year ended March 31, 2022	15,440	(3,243)	(3,946)	28,222
Fiscal year ended March 31, 2021	(19,103)	(3,164)	12,857	19,922

2. Dividends

	Annual Dividends					Total Dividends paid (annual)	Dividend payout ratio (consolidated)	Dividends to net assets (consolidated)
	Q1 end	Q2 end	Q3 end	Year end	Total			
	yen	yen	yen	yen	yen	million yen	%	%
Fiscal year ended March 31, 2021	—	0.00	—	4.00	4.00	146	22.1	0.3
Fiscal year ended March 31, 2022	—	0.00	—	37.00	37.00	1,354	20.5	2.7
Fiscal year ending March 31, 2023 (Forecast)	—	0.00	—	42.00	42.00		20.5	

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

(% indicates changes from the previous corresponding period)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Full year	80,000	17.0	12,500	10.0	11,600	11.1	7,500	13.1	204.91

*Notes

(1) Significant changes of subsidiaries during the year under review (affecting specified subsidiaries resulting in changes in scope of consolidation): Yes

New: One company: Raysum Fukuoka Co., Ltd

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

1) Changes in accounting policies due to the revision of accounting standards: Yes

2) Any changes in accounting policies other than 1) above: Not applicable

3) Changes in accounting estimates: Not applicable

4) Restatements: Not applicable

(3) Total number of issued shares (common stock)

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

Fiscal year ended March 31, 2022	37,081,400 shares
Fiscal year ended March 31, 2021	46,081,400 shares

2) Total number of treasury shares at the end of the period:

Fiscal year ended March 31, 2022	479,586 shares
Fiscal year ended March 31, 2021	9,426,586 shares

3) Average number of shares during the period:

Fiscal year ended March 31, 2022	36,637,529 shares
Fiscal year ended March 31, 2021	36,626,959 shares

(Reference) Overview of non-consolidated financial results

Non-Consolidated Financial Results for the Fiscal Year Ended March 31, 2022 (April 1, 2021 to March 31, 2022)

(1) Non-Consolidated Results of Operations

(% indicates changes from the previous corresponding period)

	Net sales		Operating profit		Ordinary profit		Profit	
	million yen	%	million yen	%	million yen	%	million yen	%
Fiscal year ended March 31, 2022	67,257	114.1	12,460	339.7	10,950	318.8	6,947	140.8
Fiscal year ended March 31, 2021	31,417	(39.2)	2,834	(73.2)	2,615	(74.9)	2,885	(58.1)

	Profit per share	Diluted profit per share
	yen	yen
Fiscal year ended March 31, 2022	189.62	—
Fiscal year ended March 31, 2021	78.78	—

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	million yen	million yen	%	yen
Fiscal year ended March 31, 2022	108,647	55,497	51.1	1,516.24
Fiscal year ended March 31, 2021	103,115	48,619	47.2	1,326.42

(Reference) Equity: As of March 31, 2022: ¥55,497 million yen

As of March 31, 2021: ¥48,619 million yen

<Reason for difference with actual profit for the previous fiscal year in non-consolidated financial results>

A difference between actual results for the previous fiscal year and actual results for the current fiscal year has occurred due to the same reasons as described in “1. Overview of Results of Operations (1) Overview of Results of Operations for the Fiscal Year under Review” on page 2 of the Appendix.

*The financial report is not subject to audit by a certified accountant or auditing company.

*Explanation of the proper use of performance forecast and other note

(Note on forward-looking statements, etc.)

Performance forecasts and other forward-looking statements presented in this report are based on information currently available to the Company and certain assumptions deemed to be reasonable, and are not to be read as guarantees of future performance by the Company. In addition, actual performance may differ substantially due to various factors. Please refer to “1. Overview of Results of Operations (4) Future Outlook” on page 4 of the Appendix for preconditions for the assumptions for the financial results forecast.

(How to access financial results briefing session materials)

The Company is planning to hold a financial results briefing session for institutional investors and analysts on May 20, 2022 (Friday). Materials provided shall be posted on the Company’s website immediately after the session.

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1. Overview of Results of Operations

(1) Overview of Results of Operations for the Fiscal Year under Review

The consolidated financial results for the fiscal year under review recorded net sales of 68,402 million yen (year-on-year increase of 112.3%), operating income of 11,363 million yen (year-on-year increase of 591.3%), ordinary income of 10,445 million yen (year-on-year increase of 672.9%), and profit attributable to owners of parent of 6,630 million yen (year-on-year increase of 898.7%).

Business results by segment are as follows.

(Value Creation Services)

In this business, we pursue the potential value of individual real estate assets in accordance with the purpose of each customer. We change the use, conduct large-scale renovations and attract new tenants by becoming owners, and create and provide real estate assets that are meaningful to customers.

With the restriction of various business activities due to the spread of COVID-19, we started reviewing the essential value inside real estate. We worked on this business by redefining that we place utmost importance on making the society, economy and environment co-exist, considering the essence of value that leads to continuous development and realizing it.

As a result, in the fiscal year under review, we managed to sell a large-scale retail building in Ginza, a residential property at Shirokane Chojamaru, an office building at Ikejiri-Ohashi, the “medock Comprehensive Medical Clinic Building” near Meguro Station, a logistics warehouse in Kawagoe, a retail building in Omotesando, and a tower residence in Kawasaki as large-scale properties in the sales price range of 2 billion yen or higher. With the addition of characteristic regional properties, such as a mixed-use building at Kyoto’s Sanjo, a 110-year-old historical architecture property in Kobe and an accommodation facility in Hitachi City, we have sold a total of 29 properties to customers.

Furthermore, we have formed the first group of new real estate investment products enabling investments from tens of millions of yen in assets under management worth 10 billion yen combining multiple large projects that promote the improvement of asset value. They started to be sold in December 2021, and were sold out by the end of the fiscal year under review. Therefore, in the fiscal year under review, Value Creation Services posted 61,893 million yen (year-on-year increase of 133.4%) in net sales and 12,955 million yen (year-on-year increase of 310.9%) in segment income.

(Value-Add Services)

In this business, we conduct leasing management, building management and other services to maintain and enhance the value of the properties we have provided to clients. We listen to clients’ requests in detail and aim to improve the long-term asset value in ways such as proposing measures to increase property value for the future, taking advantage of opportunities such as tenant replacement.

In the fiscal year under review, Value-Add Services posted 4,964 million yen (year-on-year increase of 10.8%) in net sales and 1,104 million yen (year-on-year increase of 6.9%) in segment income.

(Future Value Creation Services)

In this business, we mainly conduct businesses that address future social issues, such as community hostels, advanced medical facilities that are indispensable in a super-ageing society and development of emergency power sources to prepare for the frequent natural disasters, under our own operation. The experience and knowledge gained through these business operations will be utilized in conceiving and proposing ideas for Value Creation Services and Value-Add Services in the future.

Opened in Meguro as part of the business for supporting advanced and specialized medical care, “medock Comprehensive Medical Clinic” has already served many patients and started collaborating with companies from various business sectors. In addition, it is also taking part in the workplace vaccination program for COVID-19, under which it has vaccinated 35,000 people and counting.

On the other hand, in the fiscal year under review, Asset Holdings Co., Ltd. and WeBase Co., Ltd. continued to be strongly impacted by the self-restraint in outings, travel restrictions, etc. caused by yet another state-of-emergency declaration and quasi-emergency measures. All-out efforts are being made to improve financial results while carrying out sweeping renovations of the facilities and other measures, as we position the keeping up of business activities going without any incident while taking measures to prevent the spread of infection even under such a situation as an opportunity to strengthen ties with clients and communities. In the fiscal year under review, Future Value Creation Services posted net sales of 1,544 million yen (year-on-year increase of 27.0%), and segment loss of 2,059 million yen (segment loss of 1,971 million yen in the same period of the previous fiscal year) due in part to the initial investment to launch Etajimasou, a new accommodation facility.

(2) Overview of Financial Position for the Fiscal Year under Review

(Assets)

Current assets increased 4,182 million yen compared with the end of the previous fiscal year to 96,322 million yen. This was primarily attributable to cash and deposits increasing 8,300 million yen to 28,222 million yen, real estate for sale decreasing 16,288 million yen to 24,573 million yen, real estate for sale in process increasing 11,267 million yen to 38,560 million yen, and other current assets increasing 1,402 million yen to 3,727 million yen due in part to an increase in inventory in Future Value Creation Services.

Non-current assets increased 803 million yen compared with the end of the previous fiscal year to 13,524 million yen. This was primarily attributable to an increase of 488 million yen in property, plant and equipment from an increase due to acquisition and a decrease due to depreciation, etc.; a decrease of 85 million yen in intangible assets; and an increase of 399 million yen in investments and other assets.

As a result, total assets as at the end of the fiscal year under review increased 4,986 million yen compared with the end of the previous fiscal year to 109,847 million yen.

(Liabilities)

Liabilities decreased 1,586 million yen compared with the end of the previous fiscal year to 56,413 million yen. This was primarily attributable to a decrease of 3,659 million yen in borrowings due to the difference between new fundraising and repayment of borrowings, an increase of 2,406 million yen in income taxes payable, a decrease of 188 million yen in accounts payable due to construction work of properties, etc., an increase of 685 million yen in deposits received from tenants of the properties managed by the Company, and other current liabilities decreasing 697 million yen due to the decrease in consumption taxes payable resulting from the payment of consumption taxes.

(Net Assets)

Total net assets increased 6,572 million yen compared with the end of the previous fiscal year to 53,433 million yen. This was primarily attributable to an increase of 6,630 million yen in retained earnings following the recording of profit attributable to owners of parent, and a decrease of 146 million yen due to dividends of surplus. In addition, while treasury shares decreased 12,204 million yen, retained earnings and other capital surplus decreased 7,048 million yen and 5,155 million yen, respectively. Therefore, there was no impact on the total net assets. Furthermore, the equity ratio as of the end of the fiscal year under review has become 48.6%.

(3) Overview of Cash Flows for the Fiscal Year under Review

Cash and cash equivalents (hereinafter "funds") at the end of the fiscal year under review increased 8,300 million yen compared with the end of the previous fiscal year to 28,222 million yen.

Cash flows in the fiscal year under review and the major contributing factors are as follows.

(Cash flows from operating activities)

Net cash provided by operating activities amounted to 15,440 million yen. The main factor for inflow was funds related to 61,893 million yen in net sales in Value Creation Services. The main factors for outflow were funds related to 35,570 million yen of payment for purchases of real estate for sale, and 6,208 million yen of payment in line with the progressing development of real estate for sale in process and payment for repair works on real estate for sale in Value Creation Services; 1,551 million yen of payment for income tax; and the expenditure of selling, general and administrative expenses.

(Cash flows from investing activities)

Net cash used in investing activities amounted to 3,243 million yen. The main factors for inflow were proceeds from sale of investment securities of 52 million yen and proceeds from collection of loans receivable of 51 million yen. The main factors for outflow were purchase of property, plant and equipment of 2,293 million yen, payments for investments in capital of 400 million yen, and loan advances of 536 million yen.

(Cash flows from financing activities)

Net cash used in financing activities amounted to 3,946 million yen. The main factors for outflow were the difference of 3,659 million yen between new fundraising and repayment of borrowings, and dividends paid of 148 million yen.

(Reference) Indicators relative to cash flows

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Equity ratio (%)	56.7	53.6	44.7	48.6
Equity ratio on a market value basis (%)	61.4	33.2	39.6	31.3
Interest-bearing liabilities/Cash flow ratio (%)	2.4	8.9	—	2.8
Interest coverage ratio (multiple)	48.8	12.2	—	29.6

Equity ratio: Equity/Total assets

Equity ratio on a market value basis: Market capitalization/Total assets

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

Interest coverage ratio: Cash flows/Interest expenses paid

(Notes) 1. All indicators are calculated using consolidated financial results.

2. Cash flows used as basis of the above calculation are cash flows from operating activities.

3. Interest-bearing liabilities/Cash flow ratio and Interest coverage ratio for the fiscal year ended March 31 2021, are not shown because cash outflow surpassed inflow from operating activities.

(4) Future Outlook

As for the future economic trend, it is expected that the economic environment will continue to pick up while measures to prevent the spread of COVID-19, such as the progress of vaccinations and the development of therapeutic drugs, are being taken both inside and outside Japan. However, with the impact of Russian aggression against Ukraine, it is forecast to remain uncertain for a certain period of time partially due to the global instability attributable to geopolitical risks.

Despite such business environment, we have recognized once again that “considering the essence of the value inside real estate, in other words the value of making the society, economy and environment co-exist and continuously developing them, and manifesting it in the world” is the significance of our existence. Against the backdrop of the fact that the progress in such initiative has steadily become apparent as a result, we will deepen the relationship with domestic wealthy people, expand transaction opportunities with domestic corporations, institutional investors and overseas wealthy people and accelerate the provision of investment opportunities to domestic customers through new products, with aim to steadily improve business performance.

Regarding the consolidated financial results for the fiscal year ending March 31, 2023, net sales of 80,000 million yen (year-on-year increase of 17.0%), operating income of 12,500 million yen (year-on-year increase of 10.0%), ordinary income of 11,600 million yen (year-on-year increase of 11.1 %), and profit attributable to owners of parent of 7,500 million yen (year-on-year increase of 13.1%) are expected to be recorded. Business results forecast by segment are as follows.

	Value Creation Services	Value-Add Services	Future Value Creation Services	Total	Reconciling items	Amount recorded in consolidated statements of income
Net sales	71,000	4,800	4,200	80,000	(-)	80,000
Operating profit (loss)	13,500	800	(1,100)	13,200	(700)	12,500

(Millions of yen)

In addition, we formulated the medium-term management plan for the fiscal year ending March 2023 to the fiscal year ending March 2025, and announced it on May 13, 2022.

(5) Principles of Appropriation of Profits and Dividend Payment for the Fiscal Year Under Review and the Next Fiscal Year

(Principles of appropriation of profits and dividend payment)

We have set a basic policy to pay dividends based on the performance-based approach with a consolidated dividend payout ratio of 20% or more by considering future business development, etc. as well. Our basic policy is to pay dividends once a year as year-end dividend.

(Dividend payment for the fiscal year under review)

The dividend to be paid at the end of the current fiscal year under review is expected to be 37 yen per share.

(Dividend payment for the next fiscal year)

The dividend to be paid at the end of the next fiscal year is expected to be 42 yen per share based on the abovementioned principles of appropriation of profits and dividend payment.

2. Reasoning Behind Selection of Accounting Standards

The Group follows the Japanese accounting standards (Japanese GAAP) in order to ensure comparability with other domestic companies in the same business.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and deposits	19,922	28,222
Trade accounts receivable	318	310
Real estate for sale	* ₃ 40,862	* ₃ 24,573
Real estate for sale in process	* ₃ 27,292	* ₃ 38,560
Advance payments to suppliers	1,033	902
Income taxes receivable	395	36
Other	2,325	3,727
Allowance for doubtful accounts	(11)	(11)
Total current assets	92,140	96,322
Non-current assets		
Property, plant and equipment		
Buildings, net	* ₃ 2,527	* ₃ 4,643
Land	* ₃ 1,412	* ₃ 1,616
Construction in progress	1,181	98
Other, net	* ₃ 2,233	* ₃ 1,484
Total property, plant and equipment	*₁ 7,355	*₁ 7,843
Intangible assets		
Other	344	259
Total intangible assets	344	259
Investments and other assets		
Investment securities	* ₂ 2,166	* ₂ 1,954
Deferred tax assets	653	1,153
Investments in capital	145	546
Long-term loans receivable	1,374	1,536
Other	882	709
Allowance for doubtful accounts	(200)	(478)
Total investments and other assets	5,021	5,421
Total non-current assets	12,721	13,524
Total assets	104,861	109,847

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Liabilities		
Current liabilities		
Current portion of long-term borrowings	*3 1,493	*3 1,361
Accounts payable - other	1,798	1,610
Income taxes payable	3,087	5,493
Advances received	570	559
Provision for bonuses	6	4
Provision for loss on liquidation of subsidiaries and associates	123	123
Other	1,917	1,219
Total current liabilities	8,997	10,372
Non-current liabilities		
Long-term borrowings	*3 45,437	*3 41,910
Deposits received from tenants	2,993	3,678
Other	571	452
Total non-current liabilities	49,001	46,041
Total liabilities	57,999	56,413
Net assets		
Shareholders' equity		
Share capital	100	100
Capital surplus	12,054	6,899
Retained earnings	47,507	46,942
Treasury shares	(12,853)	(649)
Total shareholders' equity	46,809	53,292
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(19)	57
Foreign currency translation adjustment	72	72
Total accumulated other comprehensive income	52	129
Non-controlling interests	—	11
Total net assets	46,861	53,433
Total liabilities and net assets	104,861	109,847

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income
(Consolidated Statements of Income – Consolidated Fiscal Year)

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Net sales	*6 32,219	*6 68,402
Cost of sales	25,979	*1 51,958
Gross profit	6,239	16,444
Selling, general and administrative expenses	*2 4,595	*2 5,080
Operating profit	1,643	11,363
Non-operating income		
Interest income	31	43
Foreign exchange gains	45	150
Rental income from buildings	5	5
Benefits income	44	83
Other	15	9
Total non-operating income	142	292
Non-operating expenses		
Interest expenses	399	523
Commission for a financial loan	11	62
Provision of allowance for doubtful accounts	—	478
Bad debt loss	—	126
Other	23	20
Total non-operating expenses	434	1,211
Ordinary profit	1,351	10,445
Extraordinary income		
Gain on sale of businesses	4	—
Gain on sale of non-current assets	—	8
Gain on liquidation of subsidiaries and associates	—	*5 8
Gain on sale of investment securities	—	9
Total extraordinary income	4	26
Extraordinary losses		
Loss on liquidation of subsidiaries and associates	*4 47	—
Loss on retirement of non-current assets	*3 73	*3 29
Loss on sale of non-current assets	—	38
Total extraordinary losses	121	67
Profit before income taxes	1,235	10,403
Income taxes - current	114	4,318
Income taxes - deferred	456	(540)
Total income taxes	571	3,777
Profit	663	6,626
Loss attributable to non-controlling interests	(0)	(3)
Profit attributable to owners of parent	663	6,630

(Consolidated Statements of Comprehensive Income – Consolidated Fiscal Year)

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Profit	663	6,626
Other comprehensive income		
Valuation difference on available-for-sale securities	11	76
Foreign currency translation adjustment	(3)	0
Total other comprehensive income	8	77
Comprehensive income	672	6,703
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	672	6,707
Comprehensive income attributable to non-controlling interests	(0)	(3)

(3) Consolidated Statement of Changes in Equity

Fiscal year ended March 31, 2021 (April 1, 2020 to March 31, 2021)

(Millions of yen)

	Shareholders' equity					Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	100	12,160	48,553	(11,817)	48,996	(31)	75	44	0	49,040
Changes during period										
Dividends of surplus			(1,709)		(1,709)					(1,709)
Profit attributable to owners of parent			663		663					663
Purchase of treasury shares				(1,399)	(1,399)					(1,399)
Disposal of treasury shares		(106)		364	257					257
Retirement of treasury shares										
Net changes in items other than shareholders' equity						11	(3)	8	(0)	8
Total changes during period	—	(106)	(1,045)	(1,035)	(2,187)	11	(3)	8	(0)	(2,178)
Balance at end of period	100	12,054	47,507	(12,853)	46,809	(19)	72	52	—	46,861

Fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)

(Millions of yen)

	Shareholders' equity					Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	100	12,054	47,507	(12,853)	46,809	(19)	72	52	—	46,861
Changes during period										
Dividends of surplus			(146)		(146)					(146)
Profit attributable to owners of parent			6,630		6,630					6,630
Purchase of treasury shares										
Disposal of treasury shares										
Retirement of treasury shares		(5,155)	(7,048)	12,204						
Net changes in items other than shareholders' equity						76	0	77	11	88
Total changes during period	—	(5,155)	(565)	12,204	6,483	76	0	77	11	6,572
Balance at end of period	100	6,899	46,942	(649)	53,292	57	72	129	11	53,433

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from operating activities		
Profit before income taxes	1,235	10,403
Depreciation	738	1,647
Loss (gain) on liquidation of subsidiaries and associates	47	(8)
Increase (decrease) in provision for bonuses	(3)	(2)
Increase (decrease) in allowance for doubtful accounts	197	278
Increase (decrease) in provision for adjustment of liquidation	(0)	—
Loss (gain) on sale of investment securities	—	(9)
Gain on sale of non-current assets	—	(8)
Loss on retirement of non-current assets	73	29
Loss on sale of non-current assets	—	38
Loss (gain) on sale of businesses	(4)	—
Interest and dividend income	(31)	(43)
Interest expenses	399	523
Decrease (increase) in trade receivables	16	8
Decrease (increase) in real estate for sale	(10,352)	16,371
Decrease (increase) in real estate for sale in process	(9,397)	(11,267)
Decrease (increase) in advance payments to suppliers	(117)	138
Decrease (increase) in deposits paid	40	2
Increase (decrease) in advances received	(368)	(10)
Increase (decrease) in accounts payable - other	360	31
Decrease/increase in consumption taxes receivable/payable	81	(532)
Increase (decrease) in lease deposits received	(848)	704
Other, net	(15)	(824)
Subtotal	(17,950)	17,472
Interest and dividends received	31	42
Interest paid	(399)	(521)
Income taxes (paid) refund	(785)	(1,551)
Net cash provided by (used in) operating activities	(19,103)	15,440
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,146)	(2,293)
Proceeds from sale of property, plant and equipment	—	28
Purchase of intangible assets	(4)	(25)
Proceeds from sale of investment securities	—	52
Purchase of investment securities	—	(100)
Payments for investments in capital	(142)	(400)
Purchase of shares of subsidiaries and associates	(502)	—
Loan advances	(397)	(536)
Proceeds from collection of loans receivable	12	51
Proceeds from liquidation of subsidiaries and associates	10	10
Proceeds from withdrawal of investments in capital	70	0
Payments for sale of businesses	(57)	—
Other, net	(5)	(29)
Cash flows from investing activities	(3,164)	(3,243)

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from financing activities		
Proceeds from long-term borrowings	31,651	33,432
Repayments of long-term borrowings	(15,897)	(37,092)
Purchase of treasury shares	(1,399)	—
Dividends paid	(1,708)	(148)
Repayments of finance lease obligations	(46)	(154)
Proceeds from sale and leaseback transactions	259	—
Proceeds from share issuance to non-controlling shareholders	—	15
Net cash provided by (used in) financing activities	12,857	(3,946)
Effect of exchange rate change on cash and cash equivalents	6	49
Net increase (decrease) in cash and cash equivalents	(9,403)	8,300
Cash and cash equivalents at beginning of period	29,325	19,922
Cash and cash equivalents at end of period	*1 19,922	*1 28,222

(5) Notes on Consolidated Financial Statements

(Notes on the Going Concern Assumption)

Not applicable.

(Basis of Preparing the Consolidated Financial Statements)

1. Matters related to the scope of consolidation

(1) Number of consolidated subsidiaries: 14

Names of major consolidated subsidiaries:

Asset Holdings Co., Ltd.

WeBase Co., Ltd.

RayPower Inc.

LIBERTE JAPON Co., Ltd.

Best Medical Co., Ltd.

Raysum Fukuoka Co., Ltd.

SOKNA PARTNERS CO.,LTD.

Raysum Philippines, Inc.

And other six companies

Newly established Etajimasou Co., Ltd. and Raysum Fukuoka Co., Ltd. are included in the scope of consolidation starting from the fiscal year under review.

(2) Names, etc. of major non-consolidated subsidiaries:

Platinum Investment Kona Inc.

Wellness Arena Corporation

(Reason for excluding from the scope of consolidation)

Each of the non-consolidated subsidiaries is small in scale and each company's total assets, net sales, net profit or loss (amount corresponding to equity) for the fiscal year under review, and retained earnings (amount corresponding to equity) do not have a material effect on the consolidated financial statements.

2. Matters related to the application of equity method

(1) Number of non-consolidated subsidiaries and affiliated companies accounted for by equity method: —

(2) Names, etc. of major non-consolidated subsidiaries and major affiliated companies not accounted for by equity method

Names, etc. of non-consolidated subsidiaries and affiliated companies

Platinum Investment Kona Inc.

Wellness Arena Corporation

(Reason for not applying equity method)

The companies are excluded from the application of equity method because they are small in scale and do not have a material effect on the consolidated net profit or loss and the consolidated retained earnings, etc.

3. Matters related to the fiscal year, etc. of consolidated subsidiaries

Out of the consolidated subsidiaries, the accounting closing date of SOKNA PARTNERS CO., LTD. and Raysum Philippines, Inc. is December 31, and consolidated accounting is conducted based on their financial statements as of March 31 through the temporary settlement of accounts.

4. Matters relating to accounting policies

(1) Standards and method of valuation of important assets

1) Marketable securities

Other marketable securities

Those other than shares, etc. without market prices

Stated at market value (any valuation gain or loss to be reported in a designated component of shareholders' equity; cost of sale to be computed by the moving average method).

Shares, etc. without market prices

Stated using the cost based on the moving-average method.

As to the investment-limited partnership and similar investment (investment deemed to be securities pursuant to Article 2, Paragraph 2 of the Financial Instruments and Exchange Act), valuation is stated based on the most recent financial statements available on the reporting date of financial results, which is stipulated in the association contract using a method which takes in the amount equivalent to the equity interest in the property owned on a net basis.

- 2) Inventories
 - Real estate for sale and real estate for sale in process
 - Stated using the cost method based on the actual cost method (the book value reduction method based on decreased profitability).
- (2) Depreciation method for important depreciable assets
 - 1) Tangible assets
 - (a) Assets acquired on March 31, 2007, or before
 - Stated using the former declining-balance method. However, buildings owned by some of consolidated subsidiaries are stated using the former straight-line method.
 - (b) Assets acquired on April 1, 2007, or after
 - Stated using the declining-balance method. However, buildings and equipment attached to buildings and structures acquired on April 1, 2016, or after are stated using the straight-line method.
 - 2) Intangible assets
 - Stated using the straight-line method. Capitalized software for internal use is amortized by the straight-line method over the estimated internal useful life (5 years).
- (3) Accounting standards for major allowances
 - 1) Allowance for doubtful accounts
 - To prepare for uncollectible credits for general allowance, the amount deemed uncollectible is recorded based on the actual ratio of bad debt, and for specific allowance such as bad debts, the amount deemed uncollectible is recorded considering the individual collectability.
 - 2) Provision for bonuses
 - Provisions for future employee bonus payments are recorded on an accrual basis.
 - 3) Provision for loss on liquidation of subsidiaries and associates
 - To prepare for loss accompanying liquidation of subsidiaries and associates, expected amount for the loss is recorded.
- (4) Accounting standards for major revenues and expenses
 - The details of the main performance obligations in major businesses related to the revenues generated from contracts with customers of the Company and its consolidated subsidiaries and the normal point of time at which such performance obligations are fulfilled are as follows.
 - 1) Value Creation Services
 - In Value Creation Services, we mainly conduct businesses of acquiring office buildings, retail facility buildings, etc. and selling real estate that has undergone necessary renovations, tenant attraction, etc. to investors, business corporations aiming for self-use, etc. as well as businesses of verifying the area, rent, sales price, etc. of the acquired land, implementing development/new construction that lead to the maximization of the value of such land and selling them. The business is obliged to deliver properties based on real estate sale and purchase agreements with customers, etc. Such performance obligations are fulfilled at the time when the property is delivered, and revenue is recognized at the time of delivery. The transaction price is determined based on the real estate sale and purchase agreements, etc., and payment is received at the time of delivery of properties. Moreover, part of the sale and purchase price may be received as a deposit at the time of conclusion of contracts, and the remaining fee may be paid at the time of delivery of properties.
 - 2) Value-Add Services
 - In Value-Add Services, we mainly lease office buildings, retail stores, etc. to end users, etc., and are obliged to provide services such as rental management and building management based on the lease agreements and management business consignment agreements with customers. Such performance obligations are fulfilled over a certain period of time, and we recognize revenue on a monthly basis based mainly on the contract. The transaction price is determined based on the contract, and the price for the current month is paid mainly at the end of the current month.
- (5) Standard for translation of significant foreign-currency-denominated assets or liabilities into Japanese yen
 - Assets, liabilities, earnings and expenditures of overseas subsidiaries are converted according to the spot exchange rate on the consolidated closing date, and translation differences are included in “Foreign currency translation adjustment” as part of net assets.
 - Assets and liabilities denominated in foreign currencies are converted according to the spot exchange rate on the consolidated closing date, and translation differences are processed as income and expenditures.

(6) Scope of cash and cash equivalents in the consolidated statements of cash flows

These comprise cash on hand, demand deposits, and short-term investments that are highly liquid and readily convertible into cash, are exposed to insignificant risk of changes in value and are redeemable in three months.

(7) Other important matters for preparation of consolidated financial statements

1) Accounting treatment of non-recoverable consumption tax and other taxes

Non-deductible consumption taxes and others are recognized as expenses for the fiscal year under review.

2) Application of consolidated taxation system

Consolidated taxation system is applied.

3) Application tax effect accounting for the transition from the consolidated taxation system to the group tax sharing system

The Company and some of its domestic consolidated subsidiaries will make a transition from the consolidated taxation system to the group tax sharing system in the following fiscal year. However, the Company has made a transition to the group tax sharing system that was created by the Act on Partial Amendments to the Income Tax Act, Etc. (Act No. 8 of 2020) and, in conjunction with this transition, has reexamined items concerning the non-consolidated taxation system. With respect to this transition and reexamination, the Company and some of its consolidated subsidiaries in Japan have not applied the provisions of Paragraph 44 of “Implementation Guidance on Tax Effect Accounting” (Accounting Standard Board of Japan (ASBJ) Guidance No. 28, February 16, 2018) in accordance with the treatment in Paragraph 3 of “Practical Solution on the Treatment of Tax Effect Accounting for the Transition from the Consolidated Taxation System to the Group Tax Sharing System” (ASBJ Practical Issues Task Force (PITF) No. 39, March 31, 2020). As a result, deferred tax assets and deferred tax liabilities are based on the tax law prior to these amendments. In addition, “Handling on Accounting and Disclosure When Applying the Group Tax Sharing System” (Practical Response Report No. 42, August 12, 2021), which stipulates the handling of accounting and disclosure of corporate tax, local corporation tax and tax effect accounting when applying the group tax sharing system, will be applied from the beginning of the following fiscal year.

(Changes in Accounting Policies)

(Changes in Accounting Policies)

(Application of the Accounting Standard for Revenue Recognition, etc.)

The “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020; hereinafter, the “Revenue Recognition Accounting Standard”), etc. have been applied since the beginning of the fiscal year under review. The application of the Revenue Recognition Accounting Standard, etc. have no impact on the consolidated financial statements. Furthermore, in accordance with the transitional treatment stipulated in Paragraph 89-3 of the Accounting Standard for Revenue Recognition, information on the breakdown of revenues generated from contracts with customers for the previous fiscal year is not shown.

(Application of Accounting Standard for Fair Value Measurement, etc.)

The “Accounting Standard for Fair Value Measurement” (ASBJ Statement No. 30, July 4, 2019; hereinafter, the “Fair Value Measurement Accounting Standard”), etc., have been applied since the beginning of the fiscal year under review. In accordance with the transitional treatment stipulated in Paragraph 19 of the Fair Value Measurement Accounting Standard and Paragraph 44-2 of the “Accounting Standard for Financial Instruments” (ASBJ Statement No. 10, July 4, 2019), we have decided to apply the new accounting policies set forth by the Fair Value Measurement Accounting Standard, etc. into the future. The application has no impact on the consolidated financial statements.

(Matters related to Consolidated Balance Sheets)

*1 Accumulated depreciation for tangible asset

	Previous fiscal year (March 31, 2021)	Current fiscal year (March 31, 2022)
Accumulated depreciation of tangible asset	2,532 million yen	3,773 million yen

*2 Investment securities related to non-consolidated subsidiaries and affiliates are as follows

	Previous fiscal year (March 31, 2021)	Current fiscal year (March 31, 2022)
Investment securities (equity, investment)	929 million yen	959 million yen
(Of which, invested in jointly controlled entities)	(191 million yen)	(191 million yen)

*3 Assets pledged as security and corresponding liabilities

(1) Assets pledged as security

	Previous fiscal year (March 31, 2021)	Current fiscal year (March 31, 2022)
Real estate for sale	38,204 million yen	21,827 million yen
Real estate for sale in process	23,740 million yen	37,612 million yen
Building	708 million yen	1,866 million yen
Land	10 million yen	10 million yen
Other (Tangible assets)	27 million yen	26 million yen
Total	62,691 million yen	61,343 million yen

(2) Corresponding liabilities

	Previous fiscal year (March 31, 2021)	Current fiscal year (March 31, 2022)
Current portion of long-term loans payable	1,419 million yen	1,279 million yen
Long-term loans	43,941 million yen	41,401 million yen
Total	45,360 million yen	42,680 million yen

*4 We guarantee borrowings from financial institutions of non-consolidated subsidiaries.

	Previous fiscal year (March 31, 2021)	Current fiscal year (March 31, 2022)
GK Yokatoko Goto	- million yen	600 million yen
Total	- million yen	600 million yen

(Matters related to Consolidated Statements of Income)

*1 The reduced amount of book value due to the decline in profitability of inventories included in the cost of sales is as follows.

	Fiscal year ended March 31, 2021 (April 1, 2020 to March 31, 2021)	Fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)
	- million yen	111 million yen

*2 Main items and amounts in selling and general administrative expenses

	Fiscal year ended March 31, 2021 (April 1, 2020 to March 31, 2021)	Fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)
Advertising expense	37 million yen	108 million yen
Sales promotion expense	281 million yen	399 million yen
Directors' remuneration	412 million yen	442 million yen
Salaries and allowances	1,308 million yen	1,346 million yen
Bonuses	128 million yen	207 million yen
Provision of bonuses	6 million yen	3 million yen
Legal welfare expenses	208 million yen	237 million yen
Rent	265 million yen	255 million yen
Commission paid	548 million yen	617 million yen
Provision of allowance for doubtful accounts	197 million yen	0 million yen

*3 The details of loss on retirement of non-current assets is as follows.

	Fiscal year ended March 31, 2021 (April 1, 2020 to March 31, 2021)	Fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)
Building	49 million yen	8 million yen
Equipment attached to buildings	4 million yen	13 million yen
Structures	0 million yen	1 million yen
Machinery and equipment	0 million yen	0 million yen
Vehicles	- million yen	0 million yen
Tools, furniture and fixtures	3 million yen	0 million yen
Dismantlement and removal expense	15 million yen	4 million yen
Total	73 million yen	29 million yen

*4 Loss on liquidation of subsidiaries and associates

Fiscal year ended March 31, 2021 (April 1, 2020 to March 31, 2021)

Occurred due to the liquidation of Nishiki Mochitsukiya Co., Ltd., which was a non-consolidated subsidiary of the Company.

Fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)

Not applicable.

*5 Gain on liquidation of subsidiaries and associates

Fiscal year ended March 31, 2021 (April 1, 2020 to March 31, 2021)

Not applicable.

Fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)

Occurred due to the liquidation of Kaigan Building Co., Ltd., which was a non-consolidated subsidiary of the Company.

*6 Revenues generated from contracts with customers

For net sales, revenues generated from contracts with customers and other revenues are not stated separately. The amount of revenues generated from contracts with customers is provided in 3. Information on net sales, income (loss), assets, liabilities and other items by reporting segment and breakdown information on revenues of "3. Consolidated Financial Statements (Segment Information, Etc.)".

(Matters related to Consolidated Statements of Changes in Equity)

Fiscal year ended March 31, 2021 (April 1, 2020 to March 31, 2021)

1. Matters related to the class and total number of issued shares and the class and total number of treasury stock

	No. of shares at the beginning of the fiscal year ended March 31, 2021	No. of shares increased during the fiscal year ended March 31, 2021	No. of shares decreased during the fiscal year ended March 31, 2021	No. of shares at the end of the fiscal year ended March 31, 2021
Issued shares Common share	46,081,400 shares	—	—	46,081,400 shares
Treasury stock Common stock	8,101,586 shares	1,592,000 shares	267,000 shares	9,426,586 shares

(Note) Increase in treasury stock of 1,592,000 units is due to purchase of treasury shares resolved by the Board of Directors and decrease in treasury stock of 267,000 units is due to the disposal of treasury shares as restricted stock compensation to the executives and employees of the Company resolved by the Board of Directors.

2. Matters related to subscription rights to shares

Not applicable.

3. Matters related to dividend

(1) Amount of dividend payment

(Resolution)	Class of shares	Total amount of dividends (million yen)	Dividend per share (yen)	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 23, 2020	Common share	1,709	45	March 31, 2020	June 24, 2020

- (2) Among dividends whose record date falls within the current fiscal year, dividends whose effective date falls within the following fiscal year

(Resolution)	Class of shares	Total amount of dividends (million yen)	Dividend resource	Dividend per share (yen)	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 23, 2021	Common share	146	Retained earnings	4	March 31, 2021	June 24, 2021

Fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)

1. Matters related to the class and total number of issued shares and the class and total number of treasury stock

	No. of shares at the beginning of the fiscal year ended March 31, 2022	No. of shares increased during the fiscal year ended March 31, 2022	No. of shares decreased during the fiscal year ended March 31, 2022	No. of shares at the end of the fiscal year ended March 31, 2022
Issued shares Common share	46,081,400 shares	—	9,000,000 shares	37,081,400 shares
Treasury stock Common stock	9,426,586 shares	53,000 shares	9,000,000 shares	479,586 shares

- (Note) 1. Decrease in common stock of 9,000,000 shares is due to cancellation of treasury shares.
 2. Increase in treasury stock of 53,000 shares is due to acquisition of treasury shares as restricted stock compensation for free.
 3. Decrease in treasury stock of 9,000,000 shares is due to cancellation of treasury shares.

2. Matters related to subscription rights to shares

Not applicable.

3. Matters related to dividend

- (1) Amount of dividend payment

(Resolution)	Class of shares	Total amount of dividends (million yen)	Dividend per share (yen)	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 23, 2020	Common share	146	4	March 31, 2021	June 24, 2021

- (2) Among dividends whose record date falls within the current fiscal year, dividends whose effective date falls within the following fiscal year

(Resolution)	Class of shares	Total amount of dividends (million yen)	Dividend resource	Dividend per share (yen)	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 23, 2022	Common share	1,354	Retained earnings	37	March 31, 2022	June 24, 2022

(Matters related to Consolidated Statements of Cash Flows)

- * Relationship between balance of cash and cash equivalents at the end of fiscal year and the amounts of items stated in the consolidated balance sheet

	Fiscal year ended March 31, 2021 (April 1, 2020 to March 31, 2021)	Fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)
Cash and deposits	19,922 million yen	28,222 million yen
Time deposits with deposit terms of over three months	- million yen	- million yen
Cash and cash equivalents	19,922 million yen	28,222 million yen

(Segment Information, Etc.)

[Segment Information]

1. Overview of reporting segments

Reporting segments of the Company Group are segments for which financial data is available and of which performance evaluation and allocation of management resources are subject to periodical review by the management team.

The main businesses of reporting segments are as follows.

Value Creation Services:	Acquisition of properties and formation/development/sales of investment products utilizing such properties
Value-Add Services:	Leasing management, building management, improving earnings from real estate
Future Value Creation Services:	Operation of golf courses and accommodation facilities; manufacturing and sale of bread, confectionery, etc.; development, production and sale of gas-fueled power generators; business supporting advanced medical services, etc.

2. Calculation method for net sales, profit or loss, asset, liability and other items by reporting segment

Accounting treatment for each business segment reported follows the basic rules and procedure of accounting treatment used in preparing the consolidated financial statements. Profit or loss in reporting segments is calculated based on operating income. Intersegment sales or transfers are determined based on market prices, etc.

3. Information on net sales, income (loss), assets, liabilities and other items by reporting segment and breakdown information on revenues

Fiscal year ended March 31, 2021 (April 1, 2020 to March 31, 2021)

(Millions of yen)

	Reportable segments			Total	Reconciling items (Note) 1	Per consolidated financial statements (Note) 1
	Value Creation Services	Value-Add Services	Future Value Creation Services			
Net sales						
Revenues from external customers	26,520	4,482	1,215	32,219	—	32,219
Transactions with other segments	—	146	48	194	(194)	—
Total	26,520	4,628	1,264	32,413	(194)	32,219
Operating profit (loss)	3,152	1,032	(1,971)	2,213	(569)	1,643

(Notes) 1. The amount of (-569 million yen) in adjustments of segment profit (loss) is the elimination of inter-segment transactions (0 million yen) and the company-wide expenses of administrative expenses (-570 million yen) that are not allocated to each segment. The amount of segment profit (loss) after deduction of this adjustment is the same as the amount of 1,643 million yen of operating income stated in the consolidated statements of income.

2. Since the Company does not conduct segment allocation for all items in assets and liabilities on the consolidated balance sheets, "Amounts of assets and liabilities by reporting segment" are not disclosed.

Fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)

(Millions of yen)

	Reportable segments			Total	Reconciling items (Note) 1	Per consolidated financial statements (Note) 1
	Value Creation Services	Value-Add Services	Future Value Creation Services			
Net sales						
Revenues generated from contracts with customers	61,893	627	1,384	63,905	—	63,905
Other revenues	—	4,336	160	4,497	—	4,497
Revenues from external customers	61,893	4,964	1,544	68,402	—	68,402
Transactions with other segments	—	118	58	176	(176)	—
Total	61,893	5,082	1,602	68,578	(176)	68,402
Operating profit (loss)	12,955	1,104	(2,059)	12,000	(636)	11,363

(Notes) 1. The amount of (-636 million yen) in adjustments of segment profit (loss) is the elimination of inter-segment transactions (0 million yen) and the company-wide expenses of administrative expenses (-636 million yen) that are not allocated to each segment. The amount of segment profit (loss) after deduction of this adjustment is the same as the amount of 11,363 million yen of operating income stated in the consolidated statements of income.

2. Other revenues mostly consist of rental revenue based on the Accounting Standard for Lease Transactions.

3. Since the Company does not conduct segment allocation for all items in assets and liabilities on the consolidated balance sheets, "Amounts of assets and liabilities by reporting segment" are not disclosed.

(Related information)

Fiscal year ended March 31, 2021 (April 1, 2020 to March 31, 2021)

1. Information by product and service

Since information by product and service is provided in 3. Information on net sales, income (loss), assets, liabilities and other items by reporting segment and breakdown information on revenues of “Segment Information,” the information is omitted.

2. Information by region

(1) Sales

Since the sales from outside clients in Japan exceeded 90% of net sales in the consolidated statements of income, the information is omitted.

(2) Tangible assets

Not applicable as there is no tangible assets located overseas

3. Information by major client

Since the Company Group’s clients are unspecified companies and individuals, the information is omitted.

Fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)

1. Information by product and service

Since information by product and service is provided in 3. Information on net sales, income (loss), assets, liabilities and other items by reporting segment and breakdown information on revenues of “Segment Information,” the information is omitted.

2. Information by region

(1) Sales

Since the sales from outside clients in Japan exceeded 90% of net sales in the consolidated statements of income, the information is omitted.

(2) Tangible assets

Not applicable as there is no tangible assets located overseas

3. Information by major client

Since the Company Group’s clients are unspecified companies and individuals, the information is omitted.

[Information on impairment loss of non-current assets by reporting segment]

Not applicable.

[Information on depreciation of goodwill and unamortized balance by reporting segment]

Not applicable.

[Information on gain on negative goodwill by reporting segment]

Not applicable.

(Information per Share)

Item	Fiscal year ended March 31, 2021 (April 1, 2020 to March 31, 2021)	Fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)
Net assets per share	1,278.46 yen	1,459.56 yen
Profit per share	18.12 yen	180.97 yen

(Notes) 1. Diluted profit per share is not reported due to the absence of dilutive shares.

2. Basis for calculation of net assets per share is as follows.

	End of the previous fiscal year (March 31, 2021)	End of the current fiscal year (March 31, 2022)
Total of items in net assets (million yen)	46,861	53,433
Amounts to be deducted from the total of items in net assets (million yen)	—	11
Main items in balance (million yen)		
Non-controlling interests	—	11
Net assets related to common share at period-end (million yen)	46,861	53,422
No. of common shares used in calculation of net assets per share (shares)	36,654,814	36,601,814

3. Basis for calculation of profit per share is as follows.

	Fiscal year ended March 31, 2021 (April 1, 2020 to March 31, 2021)	Fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)
Profit attributable to owners of parent (million yen)	663	6,630
Amounts not attributable to common shareholders (million yen)	—	—
Profit attributable to owners of parent related to common shares (million yen)	663	6,630
Average number of common shares during period (shares)	36,626,959	36,637,529

(Important Subsequent Events)

Not applicable.