



Summary of Consolidated Financial Results (IFRS) for the Fiscal Year Ended March 31, 2022

May 13, 2022

Listed company name: CHANGE Inc.

Listed share exchange: Tokyo Stock Exchange Securities Code: 3962

URL: <https://www.change-jp.com/>

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Scheduled date for holding General Shareholders Meeting: June 27, 2022

Scheduled filing date of quarterly report: June 27, 2022

Scheduled commencement date of dividend payments: June 28, 2022

Preparation of explanatory materials for financial results: Yes

Holding of a briefing on financial results: Yes (For institutional investors, analysts and private investors)

(Amounts less than one million are rounded down.)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2022

(October 1, 2021 to March 31, 2022)

(1) Consolidated Operating Results (Cumulative Period)

(Percentages indicate year-on-year changes.)

	Revenue		Operating profit		Profit before taxes		Net profit		Profit attributable to owners of the parent		Total comprehensive income	
	¥Mil	%	¥Mil	%	¥Mil	%	¥Mil	%	¥ Mil	%	¥ Mil	%
FY 2022 ending March 31	10,140	-	4,582	-	4,564	-	3,156	-	3,093	-	3,156	-
FY 2021 ending Sept.30	15,653	48.5	5,985	42.4	5,911	42.1	4,113	48.4	4,104	100.3	4,113	48.4

	Basic earnings per share	Diluted earnings per share	Ratio of equity attributable to owners of the parent to revenue	Ratio of pretax profit to total assets	Ratio of operating profit to revenue
	Yen	Yen	%	%	%
FY 2022 ending March 31	42.81	42.04	9.7	11.1	45.2
FY 2021 ending Sept.30	58.79	57.41	21.4	20.9	38.2

(Reference)

Equity in earnings (losses) of affiliates

FY 2022

- ¥Mil

FY 2021

- ¥Mil

(Note) 1. The consolidated fiscal year ended March 31, 2022 corresponds to six-month period from October 1, 2021 to March 31, 2022 due to the change in the consolidated fiscal year-end. As a result, year-on-year changes are not presented here.

2. The Company conducted a 2-for-1 share split on January 1, 2021. Basic earnings per share and diluted earnings per share are calculated as if the share split had occurred at the beginning of the previous consolidated fiscal year.

3. The amount of equity attributable to owners of the parent used in the calculation of return on equity attributable to owners of the parent is the average value during the period.

4. The amount of total assets used in the calculation of the pretax profit to total assets is the average value during the period.

(2) Consolidated Financial Position

	Total assets	Total shareholders' equity	Profit attributable to owners of the parent	Percentage of interests attributable to owners of the parent	Interests attributable to owners of the parent per share
	Millions of yen	Millions of yen	Millions of yen	%	Yen
FY 2022 ending March 31	42,728	35,506	33,480	78.4	462.84
FY 2021 ending Sept.30	39,386	32,394	30,455	77.3	422.66

(Note) The Company conducted a 2-for-1 share split on January 1, 2021. Interests attributable to owners of parent are calculated as if the share split had occurred at the beginning of the previous consolidated fiscal year.

(3) Consolidated Cash Flows

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
FY 2022 ending March 31	3,742	△784	△241	30,407
FY 2021 ending Sept.30	3,804	△1,189	17,476	27,690

[Notes of caution] This document is an English translation of the Japanese original. In the event of any differences or inconsistencies between the Japanese and English versions, the Japanese language version shall take precedence.

2 Dividend Status

	Annual dividends					Total dividend amount (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to interest attributable to owners of the parent (consolidated)
	End of first quarter	End of second quarter	End of third quarter	End of the fiscal year	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
FY2021 ending Sept.30	-	0.00	-	0.00	0.00	-	-	-
FY 2022 ending March 31	0.00	-	-	4.50	4.50	325	10.5	1.0
FY 2022 (forecast)	-	0.00	-	7.00	7.00		10.8	

3 Forecasts for the Fiscal Year Ending March 31, 2023 (April 1, 2022 to March 31, 2023)

(Percentages indicate year-on-year changes for the full year and year-on-year changes for the quarter.)

	Revenue		Operating profit		Profit before taxes		Net profit		Profit attributable to owners of the parent		Basic profit per share
	¥Mil	%	¥Mil	%	¥Mil	%	¥Mil	%	¥ Mil	%	Yen
Full year	21,000	-	7,000	-	6,967	-	4,806	-	4,669	-	64.54

(Note) The consolidated fiscal year ended March 31, 2022 corresponds to six-month period from October 1, 2021 to March 31, 2022 due to the change in the consolidated fiscal year-end. As a result, year-on-year changes are not presented here.

※ Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in changes in scope of consolidation): No

New company (company name) None Excluded company (company name) None

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

(i) Changes in accounting policies required by IFRS: No

(ii) Changes in accounting policies other than (i): No

(iii) Changes in accounting estimates: No

(3) Number of shares outstanding (ordinary shares)

(i) Number of shares outstanding at the end of the period (including treasury share)	FY2022	72,959,562 shares	FY2021	72,679,562 shares
(ii) Number of treasury shares at the end of the period	FY2022	623,235 shares	FY2021	623,235 shares
(iii) Average number of shares during the period (cumulative quarterly period)	FY2022	72,246,797 shares	FY2021	69,816,513 shares

(Note) The Company conducted a 2-for-1 share split of its ordinary shares on January 1, 2021. The figures hereof were calculated on the assumption that the share split was conducted at the beginning of the previous consolidated fiscal year.

(Reference) Summary of non-consolidated financial results

Non-consolidated results for the consolidated fiscal year ended March 31, 2022 (October 1, 2021 to March 31, 2022)

(1) Non-Consolidated Results of Operations

(Percentages indicate year-on-year changes.)

	Revenue		Operating profit		Ordinary profit		Net profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY 2022 ending March 31	1,286	-	82	-	66	-	42	-
FY 2021 ending Sept.30	3,072	△5.4	624	70.7	583	67.7	399	69.9

	Profit per share	Fully diluted profit per share
	Yen	Yen
FY 2022 ending March 31	0.59	0.58
FY 2021 ending Sept.30	5.72	5.58

(Note) 1. The Company conducted a 2-for-1 share split on January 1, 2021. Basic earnings per share and diluted earnings per share are calculated as if the share split had occurred at the beginning of the previous consolidated fiscal year.

2. The consolidated fiscal year ended March 31, 2022 corresponds to six-month period from October 1, 2021 to March 31, 2022 due to the change in the consolidated fiscal year-end. As a result, year-on-year changes are not presented here.

3. Non-consolidated financial results are calculated in accordance with Japanese GAAP (J-GAAP).

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(2) Non-Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
FY 2022 ending March 31	41,331	39,610	95.8	547.57
FY 2021 ending Sept.30	41,922	39,714	94.7	551.12

Reference: shareholders' equity
End of FY 2022 39,609 ¥ Mil End of FY 2021 39,712 ¥Mil

(Note) The Company conducted a 2-for-1 stock split on January 1, 2021. Net assets per share are calculated as if the stock split had occurred at the beginning of the previous consolidated fiscal year.

※ Financial results hereof are not subject to review by certified accountants or audit corporations.

※ Explanations and other special notes concerning the appropriate use of business performance forecast

The earnings forecasts and other forward-looking statements contained in this report are prepared based on information currently available to the Company and on certain assumptions deemed to be reasonable, but they are not promised by the Company regarding future performance. Actual results may differ significantly from these forecasts due to various factors. For future forecasts and assumptions, please refer to "1. Overview of Operating Results, etc. (1) Overview of Operating Results for the Current Fiscal Year (ii) Outlook for the Next Fiscal Year" on page 3 hereof.

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1. Overview of Operating Results, etc.

(1) Overview of Operating Results for the Current Fiscal Year

Due to a change in the consolidated fiscal year-end (from September 30 to March 31), the current consolidated fiscal year is an irregular six-month period. As a result, comparison with the previous consolidated fiscal year is not presented.

(i) Operating Results for the Current Fiscal Year

In the future, it is predicted that about 1 out of 2.6 citizens will be older than 65 in 2065, resulting in a world of super-aged society. In recent years, as a result of the spread of new corona viruses, it was found that Japanese digital transformation (hereinafter, "DX") is becoming increasingly behind the world. Therefore, in the stock market, there is a clear bipolarization between companies adaptive and evolving to DX and other companies. As a result, it is urgently necessary for surviving companies to respond to, transform, and invest in DX. In addition, it is also inevitable for local governments who are facing with the challenge of severe financial conditions and population decline and whose workloads are increasing despite the declining number of employees in order to improve operational efficiency through DX.

Under such circumstances, the Group (or simply, "we") has been developing businesses such as digitization of business models and business processes and support for the development of digital human resources in order to dramatically improve Japanese productivity through "People × Technology" and to make Japan a sustainable society with a decreasing population under the vision of "Change Productivity" under the mission of "Change People, Change Business, Change Japan". Since the inception, we have been providing solutions to the digitization needs of many customers. Specifically, we have been developing and expanding our businesses in three areas: NEW-IT Transformation Business, which supports the development of digital human resources, innovations in business processes, and digitization; Investment Business, which is investing in businesses that are synergistic with NEW-IT Transformation Business, to be responsible for creating new businesses and building business models; and the Publitech Business, which is committed to promoting DX-based regional creation.

Operating results for the current consolidated fiscal year are as follows.

On February 15, 2021, we announced our new Mid-term Business Plan, "Digitize & Digitalize Japan (Phase2)," which defines the key areas of "Local" × "Social" × "Digital". In order to lead the Japanese DX, in March 2022 we made a capital and business alliance with SBI Holdings, Inc. and are accelerating initiatives aimed at regional revitalization, as well as accelerating growth-oriented investment, including personnel recruitment and training and M&A preparations.

In the NEW-IT Transformation Business, the Group has been accelerating its digital transformation in Japan by increasing large-scale support projects for the development of digital human resources and developing new services and contents in a synergistic manner, as well as steadily strengthening alliances in the DX field.

In the Investment Business, stock prices of some invested companies, mainly growth stocks, were weak.

In the Publitech Business, the Group established Govmates, Inc. on March 28, 2022, a joint venture with Konica Minolta Inc. and Konica Minolta Publitech, Inc. to jointly implement local government DX promotion. Also, LoGo Chat and LoGo Form, which are SaaS businesses for local governments, continued to enjoy a strong reputation among users and steadily promoted local government DX. In addition, we have successfully begun to create leading examples of energy-related projects, which are our new fields.

As a result, revenue for the current consolidated fiscal year was 10,140 million yen, operating profit was 4,582 million yen, profit before tax was 4,564 million yen, and profit attributable to owners of the parent was 3,093 million yen.

Results by business segment are as follows:

(I)NEW-IT Transformation Business

In NEW-IT Transformation Business, the Group has accelerated the digital transformation in Japan through collaboration between local governments, regional banks, and local companies, as well as our efforts to solve social issues in the equation of “Digital × Local × Human Resources”, including supports for digitization of administrative procedures.

Consequently, NEW-IT Transformation Business recorded revenue of 1,366 million yen and segment profit of 392 million yen for the current consolidated fiscal year.

(II)Investment Business

In the Investment Business, stock prices of some invested companies, mainly growth stocks, were weak.

Consequently, the revenue of the Investment Business for the current consolidated fiscal year was △216 million yen, and the segment loss was 226 million yen.

(III)Publitech Business

In the Publitech Business, the Group established Govmates, Inc. on March 28, 2022, a joint venture with Konica Minolta, Inc. and Konica Minolta Publitech, Inc. to jointly implement local government DX promotion. In addition, LoGo Chat and LoGo Form, which are SaaS businesses for local governments, continued to enjoy a strong reputation among users and steadily promoted local government DX. In addition, we have successfully begun to create leading examples of energy-related projects, which are new fields.

As a result, revenue in the Publitech Business and segment profit for the current consolidated fiscal year were 8,990 million yen and 5,471 million yen, respectively.

(ii)Outlook for the Next Fiscal Year

Today, we announced our Mid-term Business Plan (revised version) "Digitize & Digitalize Japan (Phase2)." Under the flag of “Digital” × “Local” × “Social, we are actively acquiring digital human resources, expanding new business domains by utilizing cutting-edge technologies, and developing and expanding IT platform services for local governments, with our NEW-IT Transformation Business, Investment Business, and Publitech Business as pillars, in order to resolve social issues faced by local communities and to make them sustainable. In this way, we are conducting businesses that dramatically improve Japanese productivity through "People × Technology."

In the NEW-IT Transformation Business, we will push forward digitization projects for large-scale enterprises and government agencies and expand services that meet the needs of digitization, including the development of digital human resources. In the Publitech Business, we will expand LoGo Series, accelerate the digitization services of the public sector through Govmates, advance new initiatives such as the energy business while adding more values to the mainstay hometown tax payment platform business. In this way, we will achieve the Medium-term Business Plan (Revised) "Digitize & Digitalize Japan (Phase2)."

Consequently, in the consolidated fiscal year ending March 2023, we forecast revenues of 21,000 million yen, operating profit of 7,000 million yen, profit before tax of 6,967 million yen, and profit attributable to owners of the parent of 4,669 million yen.

(2) Overview of Financial Position for the Current Fiscal Year

(i) Financial position

(Assets)

Current assets at the end of the current consolidated fiscal year were 35,661 million yen, an increase of 2,705 million yen from the end of the previous consolidated fiscal year. This was mainly due to an increase of 2,717 million yen in cash and cash equivalents. Non-current assets were 7,067 million yen, an increase of 636 million yen from the end of the previous consolidated fiscal year. This was mainly due to an increase of 239 million yen in property, plant and equipment.

As a result of the above, total assets were 42,728 million yen, an increase of 3,342 million yen from the end of the previous consolidated fiscal year.

(Liabilities)

Current liabilities at the end of the current consolidated fiscal year were 5,873 million yen, an increase of 327 million yen from the end of the previous consolidated fiscal year. This was mainly due to an increase of 396 million yen in income taxes payable. Non-current liabilities decreased by 97 million yen from the end of the previous consolidated fiscal year to 1,349 million yen. This was mainly due to a decrease of 128 million yen in bonds and borrowings.

As a result, total liabilities were 7,222 million yen, an increase of 230 million yen from the end of the previous consolidated fiscal year.

(Equity)

Equity at the end of the current consolidated fiscal year was 35,506 million yen, an increase of 3,112 million yen from the end of the previous consolidated fiscal year. This was due to an increase of 3,093 million yen in retained earnings resulting from the recording of net profit.

(ii) Cash Flows

Cash and cash equivalents at the end of the current consolidated fiscal year increased by 2,717 million yen from the end of the previous consolidated fiscal year to 30,407 million yen.

The status of each cash flow and major factors are as follows:

Cash flows from operating activities

Net cash provided by operating activities was 3,742 million yen (compared with 3,804 million yen provided in the previous consolidated fiscal year). This was mainly due to the recording of profit before tax of 4,564 million yen.

Cash flows from investing activities

Net cash used in investing activities was 784 million yen (compared with 1,189 million yen used in the previous consolidated fiscal year). This was mainly due to purchase of intangible assets of 487 million yen.

Cash flows from financing activities

Net cash used in financing activities was 241 million yen (compared with 17,476 million yen provided in the previous consolidated fiscal year). This was mainly due to repayment of long-term borrowings of 147 million yen.

(3) Basic Profit-distribution Policy and Dividends for the Current and Next Fiscal Years

The Company (or simply, “we”) recognizes that returning profits to shareholders is an important management issue. Currently, we believe that we are still in the process of expanding and expanding our business. We have not paid dividends to date because we believe that realizing further increases in corporate value, by enhancing our internal reserves to strengthen our management base and aggressively develop our business and by using them for working capital or for investment to strengthen our financial position and expand our business, will lead to the greatest return of profits to our shareholders.

However, while still respecting the above policy of prioritizing accumulation in retained earnings and making investments for business expansion, we have determined that we will continually pay dividends while taking into account the operating results of each fiscal year, to balance deepening shareholders’ understanding by making continuous profit returns to them and our basic policy of prioritizing investment for expanding business from a medium-to long-term perspective.

For the year ended March 31, 2022, we pay a year-end dividend of 4.5 yen per share.

For the next fiscal year (ending March 31, 2023), we plan to pay a year-end dividend of 7 yen per share on the condition that that we will secure profits stated in the next fiscal year's forecast.

The record date for the payment of dividends is the last day of the fiscal year and the decision-making body is the General

Meeting of Shareholders.

In accordance with the provisions of Paragraph 5 of Article 454 of the Companies Act, the Company's Articles of Incorporation provides that we can pay interim dividends based on a resolution of the Board of Directors by setting September 30 of each fiscal year as the record date.

2. Basic Concept Regarding Selection of Accounting Standards

We have prepared consolidated financial statements in accordance with the International Financial Reporting Standard (IFRS) from the consolidated fiscal year ended September 30, 2020 in order to enhance international comparability of financial information in capital markets and improve communications with stakeholders.

3. Consolidated Financial Statements and Major Notes

(1) Consolidated Statements of Financial Position

(Millions of yen)

	Previous consolidated fiscal year (As of September 30, 2021)	Current consolidated fiscal year (As of March 31, 2022)
Assets		
Current assets		
Cash and cash equivalents	27,690	30,407
Trade and other receivables	3,226	3,430
Inventories	46	95
Investment securities held as part of operations	1,571	1,356
Other financial assets	30	30
Other current assets	390	341
Total current assets	32,956	35,661
Non-current assets		
Property, plant and equipment	183	423
Right-of-use assets	220	246
Goodwill	4,409	4,409
Intangible assets	1,288	1,432
Other financial assets	160	208
Deferred tax assets	167	344
Other non-current assets	-	2
Total non-current assets	6,430	7,067
Total assets	39,386	42,728

(Millions of yen)

	Previous consolidated fiscal year (As of September 30, 2021)	Current consolidated fiscal year (As of March 31, 2022)
Liabilities and Equity		
Liabilities		
Current liabilities		
Trade and other payables	2,942	2,976
Short-term borrowings	277	277
Lease liabilities	128	126
Other financial liabilities	57	47
Accrued income taxes	1,317	1,713
Provisions	24	29
Other current liabilities	797	703
Total current liabilities	5,545	5,873
Non-current liabilities		
Bonds and borrowings	1,290	1,162
Lease liabilities	82	115
Provisions	23	22
Deferred tax liabilities	17	16
Other non-current liabilities	31	31
Total non-current liabilities	1,446	1,349
Total liabilities	6,992	7,222
Equity		
Share Capital	1,000	1,002
Capital surplus	23,086	23,016
Retained earnings	7,774	10,867
Treasury shares	△1,405	△1,405
Total equity attributable to owners of parent (total)	30,455	33,480
Non-controlling interests	1,939	2,026
Total equity	32,394	35,506
Total liabilities and equity	39,386	42,728

(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income

(Consolidated Profit and Loss Statement)

(Millions of yen)

	Previous consolidated fiscal year (From October 1, 2020 to September 30, 2021)	Current consolidated fiscal year (From October 1, 2021 to March 31, 2022)
Revenue from contracts with customers	15,465	10,356
Revenues from investment securities held as part of operations	187	△216
Total revenue	15,653	10,140
Cost of sales	4,065	2,166
Gross profit	11,588	7,974
Selling, general and administrative expenses	5,543	3,327
Other income	10	10
Other costs	70	75
Operating income	5,985	4,582
Finance income	0	2
Financing cost	73	19
Profit before taxes	5,911	4,564
Income tax expense	1,798	1,408
Net profit	4,113	3,156
Profit attributable to:		
Owners of the parent	4,104	3,093
Non-controlling interests	8	63
Net profit	4,113	3,156
Earnings per share		
Basic earnings per share (yen)	58.79	42.81
Diluted earnings per share (yen)	57.41	42.04

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Previous consolidated fiscal year (From October 1, 2020 to September 30, 2021)	Current consolidated fiscal year (From October 1, 2021 to March 31, 2022)
Net profit	4,113	3,156
Comprehensive income for the year	<u>4,113</u>	<u>3,156</u>
Comprehensive income attributable to:		
Owner of the parent	4,104	3,093
Non-controlling interests	<u>8</u>	<u>63</u>
Comprehensive income	<u>4,113</u>	<u>3,156</u>

(3) Consolidated Statements of Changes in Equity

Previous consolidated fiscal year (October 1, 2020, to September 30, 2021)

(Millions of yen)

	Equity attributable to owners of the parent			
	Share Capital	Capital surplus	Retained earnings	Treasury share
Balance at October 1, 2020	2,397	1,892	3,669	△0
Net income			4,104	
Other comprehensive income				
Total comprehensive income	-	-	4,104	-
Issuance of shares	8,263	8,186		
Purchase of treasury shares				△1,405
Transfer from share capital to capital surplus	△9,660	9,660		
Changes in equity due to capital increase of consolidated subsidiaries		1,913		
Changes in interests in subsidiaries		1,433		
Non-controlling interests for acquiring subsidiaries				
Total transactions with owners	△1,397	21,194	-	△1,405
Balance at September 30, 2021	1,000	23,086	7,774	△1,405

	Equity attributable to owners of the parent company	Non-controlling interests	Total
	Total		
Balance at October 1, 2020	7,959	1,447	9,406
Net income	4,104	8	4,113
Other comprehensive income	-		-
Total comprehensive income	4,104	8	4,113
Issuance of shares	16,449		16,449
Purchase of treasury share	△1,405		△1,405
Transfer from share capital to capital surplus	-		-
Changes in equity due to capital increase of consolidated subsidiaries	1,913	1,914	3,828
Changes in interests in subsidiaries	1,433	△1,442	△8
Non-controlling interests for acquiring subsidiaries	-	11	11
Total transactions with owners	18,391	483	18,874
Balance at September 30, 2021	30,455	1,939	32,394

Current consolidated fiscal year (from October 1, 2021 to March 31, 2022)

(Millions of yen)

	Equity attributable to owners of the parent			
	Share Capital	Capital surplus	Retained earnings	Treasury share
Balance at October 1, 2021	1,000	23,086	7,774	△1,405
Net profit			3,093	
Other comprehensive income				
Total comprehensive income	-	-	3,093	-
Issue of new shares	2	2		
Changes in interests in subsidiaries		△72		
Total transactions with owners	2	△70	-	-
Balance at March 31, 2022	1,002	23,016	10,867	△1,405

	Equity attributable to owners of the parent	Non-controlling interests	Total
	Total		
Balance at October 1, 2021	30,455	1,939	32,394
Net profit	3,093	63	3,156
Other comprehensive income	-		-
Total comprehensive income	3,093	63	3,156
Issue of new shares	4		4
Changes in interests in subsidiaries	△72	23	△48
Total transactions with owners	△67	23	△44
Balance at March 31, 2022	33,480	2,026	35,506

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Previous consolidated fiscal year (From October 1, 2020 to September 30, 2021)	Current consolidated fiscal year (From October 1, 2021 to March 31, 2022)
Cash flow from operating activities		
Profit before taxes	5,911	4,564
Depreciation and amortization	743	280
Finance income and finance costs	73	17
Increase (decrease) in inventory (increase in Δ)	Δ 29	Δ 48
Increase (decrease) in trade and other receivables (increase in Δ)	Δ 251	Δ 203
Increase (decrease) in investment securities held as part of operations (increase in Δ)	Δ 1,029	214
Increase (decrease) in trade and other payables (decrease in Δ)	419	33
Other	190	16
Subtotal	6,027	4,874
Interest and dividends received	0	0
Interest paid	Δ 13	Δ 10
Income taxes paid	Δ 2,210	Δ 1,120
Net cash provided by (used in) operating activities	3,804	3,742
Cash flow from investing activities		
Purchases of property, plant and equipment	Δ 142	Δ 236
Purchase of intangible assets	Δ 443	Δ 487
Purchase of subsidiaries	Δ 660	-
Other	56	Δ 60
Net cash provided by (used in) investing activities	Δ 1,189	Δ 784
Cash flow from financing activities		
Proceeds from long-term borrowings	300	10
Repayments of long-term borrowings	Δ 1,501	Δ 147
Repayments of lease liabilities	Δ 144	Δ 59
Proceeds from issuance of ordinary shares	16,415	4
Proceeds from non-controlling interests	3,823	-
Payments for acquisition of interests in subsidiaries from non- controlling interests	Δ 8	Δ 48
Purchase of treasury shares	Δ 1,407	-
Net cash provided by (used in) financing activities	17,476	Δ 241
Net increase in cash and cash equivalents (Δ in decrease)	20,090	2,717
Cash and cash equivalents at beginning of year	7,599	27,690
Effect of exchange rate changes on cash and cash equivalents	0	Δ 0
Cash and cash equivalents at end of year	27,690	30,407

(5) Notes to Consolidated Financial Statements

(Notes on the Going Concern Assumption)

Not applicable.

(Segment information, etc.)

(1) The outline of any Reporting Segment

The Group's reportable segments are the components of the Group for which discrete financial information is available and whose operating results are regularly reviewed by the Company's Board of Directors to make decisions about the allocation of management resources to the segments and assess their performance. No operating segments have been aggregated in determining the reportable segments.

The reportable segments of the Group are as follows: the "NEW-IT Transformation Business," the "Investment Business," and the "Publitech Business." They are classified by the type of service provided.

The NEW-IT Transformation Business provides services that improve the productivity and added value of Japanese companies by principally innovating business processes, promoting digitization, and training of digital talent.

The Investment Business invests in so-called late-stage companies which are in the process of preparing for an initial public offering (IPO). The Publitech Business engaged in the platform business of hometown tax payment and the provision of technology services for government agencies.

(2) Information on reportable segments

Revenues and performance by reportable segments of the Group are as follows.

Profits of reportable segments are figures based on operating income.

Inter-segment sales revenue is based on prevailing market prices.

Previous consolidated fiscal year (October 1, 2020, to September 30, 2021)

(Millions of yen)

	Reportable segments				Adjusted amount (Note) 1	Consolidation
	NEW-IT transformation business	Investment business	Publitech business	Total		
Revenue						
External revenue	2,811	187	12,654	15,653	-	15,653
Inter-segment revenue	5	-	-	5	△5	-
Total	2,816	187	12,654	15,658	△5	15,653
Segment profit (Note 2)	927	166	6,666	7,761	△1,776	5,985
Finance income	-	-	-	-	-	0
Financing cost	-	-	-	-	-	73
Profit before taxes	-	-	-	-	-	5,911
Other items						
Depreciation and amortization	139	0	505	644	99	743

(Note) 1. The adjustment amount in segment profit of negative 1,776 million yen comprises company-wide expenses not allocable to any reportable segment and mostly consists of general and administrative expenses of 1,776 million yen that are not attributable to the reportable segments.

2. Segment profit reconciles to operating profit in the condensed quarterly consolidated statement of profit or loss when the adjustment described above is applied.

3. Segment assets, segment liabilities and capital expenditures are not presented because they are not subject to deciding how to allocate resources and assess performances.

Current consolidated fiscal year (from October 1, 2021 to March 31, 2022)

(Millions of yen)

	Reportable segments				Adjusted amount (Note)1	Consolidation
	NEW-IT transformation business	Investment business	Publitech business	Total		
Revenue						
External revenue	1,366	△216	8,990	10,140	-	10,140
Inter-segment revenue	-	-	-	-	-	-
Total	1,366	△216	8,990	10,140	-	10,140
Segment income (loss) (Note 2)	392	△226	5,471	5,637	△1,055	4,582
Finance income	-	-	-	-	-	2
Financing cost	-	-	-	-	-	19
Income before income taxes	-	-	-	-	-	4,564
Other items						
Depreciation and amortization	32	0	190	223	57	280

(Note) 1. The adjustment amount in segment profit of negative 1,055 million yen comprises company-wide expenses not allocable to any reportable segment and mostly consists of general and administrative expenses of 1,055 million yen that are not attributable to the reportable segments.

2. Segment profit reconciles to operating profit in the condensed quarterly consolidated statement of profit or loss when the adjustment described above is applied.
3. Segment assets, segment liabilities and capital expenditures are not presented because they are not subject to deciding how to allocate resources and assess performances.

(3)Information on products and services

This information is omitted because the same information is disclosed in the segment information for the previous consolidated fiscal year and the current consolidated fiscal year.

(4)Regional Information

This information is omitted because revenue from external customers in Japan and non-current assets located in Japan accounted for the majority of the total in the previous consolidated fiscal year and the current consolidated fiscal year.

(5)Information about major customers

This information is omitted because no revenue to a specific customer accounted for 10% or more of revenue in the consolidated statements of income for the previous consolidated fiscal year and the current consolidated fiscal year.

(Per Share Information)

The following table sets forth the computation of basic earnings per share and diluted earnings per share:

	Previous consolidated fiscal year (From October 1, 2020 to September 30, 2021)	Current Consolidated fiscal year (From October 1, 2021 to March 31, 2022)
Profit attributable to owners of the parent (millions of yen)	4,104	3,093
Net profit used to calculate diluted earnings per share (millions of yen)	4,104	3,093
Weighted average number of ordinary shares (thousands)	69,816	72,246
Increase in ordinary share		
Share options (thousands of shares)	1,671	1,326
Weighted average number of diluted ordinary shares (in thousands)	71,488	73,573
Basic earnings per share (yen)	58.79	42.81
Diluted earnings per share (yen)	57.41	42.04

(Note) We conducted a 2-for-1 share split on January 1, 2021. Basic earnings per share and diluted earnings per share are calculated as if the share split had occurred at the beginning of the previous consolidated fiscal year.

(Significant Subsequent Events)

Not applicable.