



## Consolidated Financial Results for the Fiscal Year Ended March 31, 2021 (IFRS)

May 14, 2021



Company name	Asteria Corporation	Tokyo Stock Exchange
Code number	3853	URL <a href="https://www.asteria.com/">https://www.asteria.com/</a>
Representative	Yoichiro Hirano	President & CEO
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Scheduled date of general meeting of shareholders	June 28, 2021	Scheduled date of payment of cash dividends June 11, 2021
Filing date of financial statements	June 28, 2021	
Supplemental materials prepared for financial results	Yes	
Earnings briefings for financial results	Yes (for institutional and individual investors)	

(Figures are rounded to the nearest million yen)

### 1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2021 (April 1, 2020 to March 31, 2021)

#### (1) Consolidated Financial Results

(Millions of yen, % indicate year-on-year changes.)

	Net sales	Operating income	Pre-tax income	Net income		Net income attributable to owners of parent	Comprehensive net income
Fiscal Year Ended March 31, 2021	2,688	0.4	820	—	1,026	—	826
Fiscal Year Ended March 31, 2020	2,677	-23.0	-262	—	-159	—	-180

(Yen, %)

	Basic earnings per share	Diluted earnings per share	Ratio of net income attributable to owners of parent	Ratio of pre-tax income to total assets	Ratio of operating income to net sales
Fiscal Year Ended March 31, 2021	49.02	49.02	15.7	12.8	30.5
Fiscal Year Ended March 31, 2020	-10.66	-10.66	-3.5	-2.1	-9.8

Note: Basic net income per share and diluted net income per share based on net income attributable to owners of parent.

#### (2) Consolidated Financial Position

(Millions of yen, %, Yen)

	Total assets	Total equity	Total equity attributable to owners of parent	Ratio of equity attributable to owners of parent	Equity attributable to owners of parent per share
Fiscal Year Ended March 31, 2021	7,907	5,721	5,544	70.1	Yen 330.25
Fiscal Year Ended March 31, 2020	8,061	4,872	4,720	58.6	Yen 281.49

#### (3) Consolidated Cash Flows

(Millions of yen)

	Cash flow from operating activities	Cash flow from investment activities	Cash flow from financial activities	Cash and cash equivalents at end of period
Fiscal Year Ended March 31, 2021	776	-599	-358	2,451
Fiscal Year Ended March 31, 2020	503	-1,926	728	2,477

### 2. Cash Dividends

(Yen, %)

	Annual cash dividends					Total amount of dividends (Millions of yen)	Consolidated dividend payout ratio	Consolidated ratio of dividends to equity attributable to owners of parent
	End-Q1	End-Q2	End-Q3	Year-end	Total			
Fiscal Year Ended March 31, 2020	—	0.00	—	4.00	4.00	67	—	1.3
Fiscal Year Ended March 31, 2021	—	0.00	—	4.50	4.50	76	9.2	1.5
Fiscal Year Ending March 31, 2022 (Forecast)	—	0.00	—	—	—	—	—	—

### 3. Forecast of Consolidated Results for Fiscal Year Ending March 31, 2022 (April 1, 2021 to March 31, 2022)

The Company intends to disclose its forecast of consolidated results for the fiscal year ending March 31, 2022 during the first half of the fiscal year.

\* Notes

(1) Changes in significant subsidiaries during the current fiscal year

(Changes in specified subsidiaries that caused a change in the scope of consolidation): None

Newly included: – company (name) –, Excluded: – company (name) –

(2) Changes in accounting policies, changes in accounting estimation

a) Changes in accounting policies due to IFRS requirements: Yes

b) Changes in accounting policies other than (2) a) above: None

c) Changes in accounting estimation: Yes

(3) Number of issued shares (Common Stock)

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

Fiscal Year Ended March 31, 2021	17,491,265 shares	Fiscal Year Ended March 31, 2020	17,491,265 shares
Fiscal Year Ended March 31, 2021	704,611 shares	Fiscal Year Ended March 31, 2020	721,757 shares
Fiscal Year Ended March 31, 2021	16,470,174 shares	Fiscal Year Ended March 31, 2020	16,458,704 shares

b) Number of shares of treasury stock at the end of the period

c) Average number of shares during the period

\* These consolidated financial results are not subject to audit.

\* Cautionary statement on appropriate use of business results forecasts and other matters.

(Note on forward-looking statements)

This report contains forward-looking statements on future performance and other matters that are based on information currently available to the company and certain reasonable assumptions. These forward-looking statements are not guarantees of future performance. A variety of factors may cause actual performance to be materially different from that expressed or implied by these forward-looking statements. For notes on the assumptions used in business forecasts and use of these forecasts, please refer to “1. Qualitative information for business results, (4) Outlook for consolidated business results, etc.”

(Access to supplementary materials for results and content from the results briefing)

The company plans to hold an online results briefing from 6.00pm-7.00pm (JST) on Friday May 14, 2021. The materials used in the briefing will be posted on our official website, and the briefing video itself will be streamed live on YouTube Live and will also be available on our website at a later date.

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## 1. Qualitative information for business results

### (1) Explanation of business results

Consolidated group results for the fiscal year ended March 31, 2021 (April 1, 2020-March 31, 2021, hereinafter FY2020) saw year-over-year (hereinafter YoY) increase in net sales and the highest levels of income (operating income, pre-tax income, and net income) since listing despite the global impact of the COVID-19 pandemic.

In net sales, although the effects of COVID-19 caused a sharp YoY fall in sales in the Design business unit, which operates in the US and Europe, there was growth in sales in the Enterprise business unit, where the main product is ASTERIA Warp. As a consequence, all-company net sales increased 0.4% YoY.

At the income level, the effects of higher sales of software products in the Japanese domestic market, a turn to profit on structural reforms at wholly-owned subsidiary This Place overseas, and the booking of unrealized valuation gains on corporate investments via Asteria Vision Fund-1 (hereinafter AVF-1) were complemented by the contribution of lower travel costs and other expenses because of the COVID-19 pandemic. As a result, there were large YoY increases at all levels of income, Yen 1,082 million in operating income (an operating income margin of 30.5%, vs. an operating loss of Yen 262 million in FY2019), Yen 1,184 million in pre-tax income (vs. a pre-tax loss of Yen 159 million in FY2019), and Yen 983 million in net income attributable to the owners of the parent.

#### <<Group business initiatives>>

The Group continues to proactively implement measures to prevent the spread of COVID-19, which first began to have a global impact in Q4 FY2019. At all subsidiaries, we have moved completely to teleworking in line with conditions in each operating region to ensure both the smooth running of business and the safety of our employees.

Moreover, we have moved all events and seminars for our products and services online in order to prevent the spread of the virus at client companies, while promptly implementing the following initiatives for individual software products and services:

- ASTERIA Warp: holding webinars on enabling links with a variety of cloud services in support of teleworking
- Handbook: supplying products and providing illustrative examples to support the shift to paperless office administration and remote training camps
- Platio: supplying a mobile devices “new lifestyles” app and providing illustrative examples for workplace digital transformation (DX)
- Gravio: supplying solutions and providing illustrative examples to help users avoid the three main conditions that facilitate the transmission of COVID-19 using image recognition technology and CO2 sensors
- Blockchain: supplying a service that enables the holding of “attendance-style” online general shareholders’ meetings
- This Place: issuing a white paper on COVID-19 responses for the e-commerce retail sector

Going forward, in a bid to grow even amid the tough business conditions created by COVID-19, the Group will focus its investments on the C.A.R. (cloud, automation, and remote) domains, areas we believe offer significant expansion prospects in the “new normal” era.

Consolidated results for FY2020 were as follows.

(Millions of yen)

	FY2019	FY2020	YoY growth
Net sales	2,676.7	2,688.4	0.4%
Operating income (Figures in negative represent loss)	-262.1	819.8	-%
Pre-tax income (Figures in negative represent loss)	-158.7	1,025.6	-%
Net income attributable to owners of parent (Figures in negative represent loss)	-175.5	807.3	-%

\*Operating income for FY2020 includes an unrealized valuation gain on corporate investments via AVF-1 of Yen 247.2 million as FVTPL (Fair Value Through Profit Loss, in accordance with IFRS-9).

<<Reportable segments>>

For the purposes of deciding allocation of Group resources and appraising performance, the Group split its business into two reportable segments as of the end of FY2020: the “Software Business” and the “Investment Business”. The “Software Business” is made up of the corporate software product businesses the Group has been developing since its establishment as well as the design services business provided by This Place, which was acquired in 2017. The “Investment Business” is focused on corporate investments via AVF-1, which was launched in 2019.

<<Software Business>>

The Software Business is made up of three business units, and sales performance by business unit was as follows.

Enterprise business unit	(Millions of yen)		
	FY2019	FY2020	YoY growth
Net sales	1,659.5	1,822.9	9.8%

<Sales performance>

In ASTERIA Warp, sales of Core, the subscription version which has been customized for linkages with particular administration data, rose 80% YoY and drove overall sales. Through proactive online marketing activities enabled by a shift at the start of the fiscal year to a telework-based marketing structure, we were also able to tap into new linkage needs, such as with customers' management systems and app development tools. The campaign to promote DX at local authorities begun in December 2020 resulted in receipt of new inquiries from smaller local authorities as well as from prefectural governments and government-ordinance-designated cities with whom we already have an installation track record.

Sales of AI-equipped IoT integration edgeware Gravio increased around tenfold YoY owing to changes in working environments made in order to prevent the spread of COVID-19 and to robust demand for devices and software that counter the three main conditions that facilitate the transmission of the virus. Using Gravio's various sensors, we expanded applications such as enabling remote monitoring and automation (personnel-free) operation of production processes and providing solutions that detect and warn about spaces becoming crowded based on their CO<sub>2</sub> concentration level.

Cloud Services business unit	(Millions of yen)		
	FY2019	FY2020	YoY growth
Net sales	308.5	326.5	5.8%

<Sales performance>

Tapping into interest in workplace DX promotion and non-code development tools, we conducted active promotion of Platio, including a TV commercial that highlights it as a tool for “creating in three days” mobile apps that match a company's operations, and this resulted in sales roughly tripling YoY. In addition, the number of sales partners for Platio more than doubled from the end of FY2019, and we were able to diversify the customer base by, for example, increasing usage at regional companies as well as at firms in the Greater Tokyo region.

Handbook, which provides the majority of sales in this business unit, was hit by reduced need for face-to-face marketing amid the COVID-19 pandemic, but sales were robust thanks to greater use at existing customers due to increased needs in areas such as the shift to paperless office administration.

Design business unit	(Millions of yen)		
	FY2019	FY2020	YoY growth
Net sales	701.8	527.8	-24.8%

<Sales performance>

The impact of COVID-19 forced a reassessment of customer projects in tourism-related and retail industries. However, due to sales from securing of new customers in the US and UK, we were able to minimize the impact of factors such as COVID-19 lockdowns in various countries.

Other business unit	(Millions of yen)		
	FY2019	FY2020	YoY growth
Net sales	7.0	11.2	60.1%

<Sales performance>

Sales in this business unit come from a variety of service areas, including blockchain technology consulting, SnapCal, and lino.

Sales from blockchain technology consulting increased YoY due to orders from Meiji Yasuda Life Insurance Company and Chubu Electric Power Co., Inc. Moreover, in March 2021 we held a seminar on the holding of “virtual only” general shareholders meetings and we continue to step up marketing to find new customers for blockchain shareholder voting systems.

<<Investment Business>>

The Investment Business includes corporate investments via AVF-1, which was established in 2019. AVF-1 invests based on a “4D strategy” (data, device, decentralized, design), and the results of its operations on investment valuation change is booked as FVTPL in accordance with IFRS-9.

AVF-1	(Millions of yen)		
	End-FY2019	End-FY2020	YoY growth
Investment valuation change	–	247.2	–

<Change in investment valuation>

This mainly reflects an increase in the valuation of AVF-1’s investment in Gorilla Technology (Taiwan) as a result of business progress and rise in its market value.

## (2) Explanation of financial position

### (Assets)

Total assets as of the end of FY2020 were Yen 7,907.4 million, down Yen 153.6 million from end-FY2019. Current assets decreased Yen 162.2 million to Yen 2,787.4 million, and noncurrent assets increased Yen 8.7 million to Yen 5,120.1 million. Within current assets, this owed mainly to decreases of Yen 86.5 million in accounts receivable and other claims, Yen 25.9 million in cash and cash equivalents, and Yen 20.6 million in inventories. Within noncurrent assets, it owed to increases of Yen 780.4 million in other financial assets (mainly stock in affiliates) and Yen 124.7 million in goodwill against a decrease of Yen 901.6 million in tangible fixed assets (mainly right-of-use assets).

### (Liabilities)

Total liabilities as of the end of FY2020 were Yen 2,186.2 million, down Yen 1,003.3 million from end-FY2019. Current liabilities decreased Yen 95.0 million to Yen 1,213.4 million, and noncurrent liabilities decreased Yen 908.3 million to Yen 972.8 million. This owed mainly to decreases of Yen 1,042.1 million in other financial liabilities (mainly lease liabilities) and Yen 142.8 million in borrowings against increases of Yen 67.6 million in corporate taxes payable, Yen 58.6 million in deferred income taxes, and Yen 44.0 million in other current liabilities.

### (Equity)

Equity as of the end of FY2020 was Yen 5,721.3 million, up Yen 849.8 million from end-FY2019. This owed mainly to increases of Yen 26.4 million in non-controlling interests and Yen 728.5 million in retained earnings against a decrease of Yen 22.5 million in additional paid-in capital.

## (3) Explanation of cash flows

The balance of cash and cash equivalents (hereafter “cash”) as of the end of FY2020 was Yen 2,451.4 million, down Yen 25.9 million from end-FY2019.

Change in each cash flow item during the period and the reasons for the changes were as follows.

### (Cash flow from operating activities)

As a result of operating activities, cash of Yen 776.0 million was created. This owed mainly to the booking of Yen 1,025.6 million in pre-tax profit and increase of Yen 196.0 million in depreciation and amortization against a decline of Yen 244.8 million in financial income.

### (Cash flow from investment activities)

As a result of investment activities, cash of Yen 598.7 million was used. This owed mainly to Yen 569.0 million used for investment purchases.

(Cash flow from financial activities)

As a result of financial activities, cash of Yen 357.7 million was used. This owed mainly to Yen 142.8 million used for the repayment of long-term debt, Yen 136.9 million used for the repayment of lease liabilities, and Yen 66.9 million used for the payment of dividends.

(4) [Outlook for consolidated business results, etc.](#)

The company intends to disclose its earnings forecast of consolidated results for the fiscal year ending March 31, 2022 during the first half of the fiscal year.

\* Note on forward-looking statements

In the event of a significant change, the Company will make timely disclosure.

## 2. Basic rationale for selection of accounting standards

The Group's business involves the supply of mainstay products such as ASTERIA Warp and Handbook in line with its vision of "developing and supplying software on a global scale to enable computing that transcends organizational boundaries." With the Group vision requiring activities on a "global scale", we strive to be compliant with global accounting standards with a view to improving international comparability and increasing convenience for our stakeholders. To that end, we implemented International Financial Reporting Standards (IFRS) beginning with our securities filings for fiscal year ending March 31, 2016.

### 3. Outline of consolidated financial statements and main notes

#### (1) Outline of Statement of Financial Position

(Thousands of yen)

	As of March 31, 2020	As of March 31, 2021
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	2,477,322	2,451,427
Trade and other receivables	342,701	256,185
Inventories	20,619	—
Other current assets	108,962	79,766
<b>Total current assets</b>	<b>2,949,603</b>	<b>2,787,378</b>
<b>Non-current assets</b>		
Property, plant and equipment	1,082,509	180,934
Goodwill	889,870	1,014,556
Intangible assets	75,994	69,088
Investments accounted for using the equity method	331,092	332,498
Other financial assets	2,599,818	3,380,190
Other non-current assets	132,124	142,800
<b>Total non-current assets</b>	<b>5,111,407</b>	<b>5,120,065</b>
<b>Total assets</b>	<b>8,061,009</b>	<b>7,907,443</b>

(Thousands of yen)

	As of March 31, 2020	As of March 31, 2021
<b>Liabilities and Equity</b>		
<b>Liabilities</b>		
<b>Current liabilities</b>		
Borrowings	242,800	242,800
Trade and other payables	169,137	182,417
Income taxes payable	31,702	99,305
Other financial liabilities	284,241	64,400
Other current liabilities	580,490	624,462
<b>Total current liabilities</b>	<u>1,308,370</u>	<u>1,213,385</u>
<b>Non-current liabilities</b>		
Provisions	19,393	16,500
Borrowings	785,800	643,000
Deferred Tax liabilities	42,804	101,370
Other financial liabilities	1,032,413	210,165
Other non-current liabilities	694	1,737
<b>Total non-current liabilities</b>	<u>1,881,104</u>	<u>972,773</u>
<b>Total liabilities</b>	<u>3,189,474</u>	<u>2,186,157</u>
<b>Equity</b>		
Common stock	2,275,343	2,275,343
Additional paid-in capital	2,474,701	2,452,226
Treasury stock	-537,645	-532,437
Other equity components	-250,314	-138,219
Retained earnings	758,336	1,486,814
Total equity attributable to owners of parent	4,720,420	5,543,727
Non-controlling interests	151,115	177,559
<b>Total Equity</b>	<u>4,871,535</u>	<u>5,721,286</u>
<b>Total liabilities and Equity</b>	<u>8,061,009</u>	<u>7,907,443</u>

## (2) Outline of Consolidated Statement of Profit or Loss

(Thousands of yen)

	FY2019 (April 1, 2019–March 31, 2020)	FY2020 (April 1, 2020–March 31, 2021)
Net sales	2,676,744	2,688,371
Cost of goods sales	783,876	502,104
Gross income	1,892,868	2,186,266
Selling, general and administrative expenses	1,750,798	1,681,730
Other income	6,603	315,714
Other expenses	410,725	493
Operating income (Figures in negative represent loss)	-262,052	819,757
Finance income	157,544	220,413
Finance costs	59,724	13,737
Equity in earnings of affiliates	5,484	-788
Pre-tax income (Figures in negative represent loss)	-158,748	1,025,645
Income tax expense	21,743	199,769
Net income (Figures in negative represent loss)	<u>-180,492</u>	<u>825,876</u>
Attributable net income		
Net income attributable to owners of parent	-175,525	807,348
Attributable to non-controlling interests	-4,966	18,528
Net income (Figures in negative represent loss)	<u>-180,492</u>	<u>825,876</u>
Earnings per share		
Basic earnings per share (Figures in negative represent loss) (Yen)	-10.66	49.02
Diluted earnings per share (Figures in negative represent loss) (Yen)	-10.66	49.02

## (3) Outline of Consolidated Statement of Comprehensive Income

(Thousands of yen)

	FY2019 (April 1, 2019–March 31, 2020)	FY2020 (April 1, 2020–March 31, 2021)
Net income (Figures in negative represent loss)	-180,492	825,876
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets assessed by fair value from other comprehensive income	-55,712	-77,856
Total items not transferrable to net income	<u>-55,712</u>	<u>-77,856</u>
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	-197,011	193,264
Amount equivalent to equity in affiliates	<u>–</u>	<u>–</u>
Total items transferrable to net income	<u>-197,011</u>	<u>193,264</u>
Total other comprehensive income	<u>-252,723</u>	<u>115,408</u>
Net comprehensive income	<u><u>-433,214</u></u>	<u><u>941,284</u></u>
Attributable comprehensive net income		
Attributable to owners of parent	-429,842	919,443
Attributable to non-controlling interests	<u>-3,372</u>	<u>21,841</u>
Net comprehensive income	<u><u>-433,214</u></u>	<u><u>941,284</u></u>

(4) Outline of Consolidated Statement of Changes in Equity

	Attributable to owners of the parent					
	Capital stock	Additional paid-in capital	Treasury stock	Other equity components		
				Translation difference for overseas business units	Financial assets assessed by fair value from other comprehensive income	Total
	Thousands of yen	Thousands of yen	Thousands of yen	Thousands of yen	Thousands of yen	Thousands of yen
Balance as of April 1, 2019	2,275,343	2,577,710	-578,558	124,081	-123,658	423
Cumulative effect of changes in accounting policies	—	—	—	—	—	—
Balances at the beginning of period restated for changes in accounting policies	2,275,343	2,577,710	-578,558	124,081	-123,658	423
Net income	—	—	—	—	—	—
Other comprehensive income	—	—	—	-198,605	-55,712	-254,317
Total net comprehensive income	—	—	—	-198,605	-55,712	-254,317
Treasury stock purchases	—	—	-129,980	—	—	—
Treasury stock disposals	—	-110,615	170,893	—	—	—
Dividends paid	—	—	—	—	—	—
Share-based payment transactions	—	7,360	—	—	—	—
Transactions with non-controlling interests	—	246	—	—	—	—
Incorporation of a new subsidiary	—	—	—	—	—	—
Others	—	—	—	3,988	-409	3,580
Change from transactions with owners	—	-103,009	40,913	3,988	-409	3,580
Balance as of March 31, 2020	2,275,343	2,474,701	-537,645	-70,536	-179,778	-250,314
Net income	—	—	—	—	—	—
Other comprehensive income	—	—	—	189,951	-77,856	112,095
Total net comprehensive income	—	—	—	189,951	-77,856	112,095
Treasury stock purchases	—	—	-7,303	—	—	—
Treasury stock disposals	—	-3,351	12,511	—	—	—
Dividends paid	—	—	—	—	—	—
Share-based payment transactions	—	-6,905	—	—	—	—
Transactions with non-controlling interests	—	-12,219	—	—	—	—
Incorporation of a new subsidiary	—	—	—	—	—	—
Others	—	—	—	—	—	—
Change from transactions with owners	—	-22,475	5,208	—	—	—
Balance as of March 31, 2021	2,275,343	2,452,226	-532,437	119,415	-257,634	-138,219

	Attributable to owners of the parent			
	Retained earnings	Total	Non-controlling interests	Total equity
	Thousands of yen	Thousands of yen	Thousands of yen	Thousands of yen
Balance as of April 1, 2019	1,106,763	5,381,681	7,772	5,389,453
Cumulative effect of changes in accounting policies	-102,221	-102,221	—	-102,221
Balances at the beginning of period restated for changes in accounting policies	1,004,542	5,279,461	7,772	5,287,233
Net income	-175,525	-175,525	-4,966	-180,492
Other comprehensive income	—	-254,317	1,594	-252,723
Total net comprehensive income	-175,525	-429,842	-3,372	-433,214
Treasury stock purchases	—	-129,980	—	-129,980
Treasury stock disposals	—	60,277	—	60,277
Dividends paid	-67,102	-67,102	—	-67,102
Share-based payment transactions	—	7,360	—	7,360
Transactions with non-controlling interests	—	246	4,538	4,784
Incorporation of a new subsidiary	—	—	142,177	142,177
Others	-3,580	—	—	—
Change from transactions with owners	-70,681	-129,198	146,715	17,517
Balance as of March 31, 2020	758,336	4,720,420	151,115	4,871,535
Net income	807,348	807,348	18,528	825,876
Other comprehensive income	—	112,095	3,313	115,408
Total net comprehensive income	807,348	919,443	21,841	941,284
Treasury stock purchases	—	-7,303	—	-7,303
Treasury stock disposals	—	9,161	—	9,161
Dividends paid	-67,166	-67,166	—	-67,166
Share-based payment transactions	—	-6,905	—	-6,905
Transactions with non-controlling interests	-11,704	-23,923	4,604	-19,319
Incorporation of a new subsidiary	—	—	—	—
Others	—	—	—	—
Change from transactions with owners	-78,870	-96,137	4,604	-91,533
Balance as of March 31, 2021	1,486,814	5,543,727	177,559	5,721,286

## (5) Outline of Consolidated Statement of Cash Flows

(Thousands of yen)

	FY2019 (April 1, 2019–March 31, 2020)	FY2020 (April 1, 2020–March 31, 2021)
<b>Cash flow from operating activities</b>		
Pre-tax income (Figures in negative represent loss)	-158,748	1,025,645
Depreciation and amortization	326,564	196,021
Financial income	-157,544	-244,829
Impairment loss (or reversal)	350,037	—
Financial expenses	59,724	13,737
Earnings from equity in affiliates (Figures in negative represent profit)	-5,484	788
Change in accounts receivable and other claims (Figures in negative represent increase)	330,585	90,604
Change in accounts payable and other payables (Figures in negative represent decrease)	-16,293	-105,722
Others	<u>-39,841</u>	<u>-158,047</u>
Subtotal	689,000	818,196
Interest and dividends received	23,077	18,291
Interest paid	-4,627	-5,213
Corporate taxes paid	<u>-204,380</u>	<u>-55,319</u>
Cash flow for operating activities	503,069	775,955
<b>Cash flow from investment activities</b>		
Payments for tangible fixed asset purchases	-33,940	-18,204
Income from tangible fixed asset sales	—	372
Payments for intangible asset purchases	-1,287	-318
Payments for investment purchases	-269,882	-568,990
Income from investment returns	1,644	—
Payments for purchase of stock in affiliates	-1,549,828	—
Payments for purchase of stock in subsidiaries	-67,580	—
Income from investment sales	320	—
Others	<u>-5,697</u>	<u>-11,605</u>
Cash flow from investment activities	-1,926,249	-598,745
<b>Cash flow from financial activities</b>		
Income from long-term borrowings	1,000,000	—
Repayment of long-term borrowings	-71,400	-142,800
Income from issue of new shares (exercise of share options)	—	—
Dividends paid	-66,836	-66,914
Payments for treasury stock purchases	-130,623	—
Income from incorporation of non-controlling interests	147,156	10,918
Payments for purchase of equity in subsidiaries from non-controlling interests	—	-22,029
Repayment of lease liabilities	<u>-149,833</u>	<u>-136,916</u>
Cash flow from financial activities	<u>728,465</u>	<u>-357,740</u>
Net change in cash and cash equivalents (Figures in negative represent decrease)	-694,715	-180,530
Cash and cash equivalents at beginning of period	3,277,348	2,477,322
Effect of exchange rate changes on cash and cash equivalents	-105,312	154,636
Cash and cash equivalents at end of period	<u>2,477,322</u>	<u>2,451,427</u>

(6) Main notes to outline of consolidated financial statements

(Going concern assumption)

No matters to report.

(Change in accounting policies)

The Group applied the following standard from the Q2 FY2020 consolidated accounting period.

IFRS	Summary of addition or change
IFRS 16	Leases Change in account policies for COVID-19-related rent concessions

This change permits the selection of simplified accounting procedures related to rent concessions provided to lessees as a direct result of the COVID-19 pandemic.

For COVID-19-related rent concessions which meet the prescribed requirements, this change allows for the selection of simplified accounting procedures for practical purposes without the necessity to assess whether this equates to a modification of the terms of the lease as defined by IFRS 16.

The Group has begun applying this change for rent concessions which meeting the conditions outlined above. The impact of the application of this practical expedient is limited.

(Changes in accounting estimation)

In order to reduce office space as it transitions to work styles based around remote work shift patterns, especially working from home, the Group decided to cancel contracts for some of the offices it leases during Q2 FY2020 and for all of the office it leases during Q4 FY2020.

Owing to changes in the evaluation of future lease fees and the execution of cancellation options resulting from notification of contract cancellations, the Group reassessed its lease liabilities in Q2 FY2020 and Q4 FY2020. As a result, there were decreases of Yen 490.5 million in lease liabilities and Yen 453.4 million in right-of-use assets, and an increase of Yen 37.1 million in both operating income and pre-tax income in Q2 FY2020 and decreases of Yen 330.9 million in lease liabilities and Yen 314.2 million in right-of-use assets, and an increase of Yen 16.7 million in both operating income and pre-tax income in Q4 FY2020

(Segment Information)

(1) Overview of reportable segments

The Group's organizational structure is split into two basic components "Software Business" and "Investment Business" as reportable segments.

"Software Business" is made up of three business units: Enterprise, Cloud Services, and Design.

"Investment Business" is comprised of investments managed by our US-based wholly-owned subsidiary Asteria Vision Fund Inc.

(2) Information on net sales, profits and losses, and assets by reportable segment

FY2019 (April 1, 2019–March 31, 2020)

	Reportable segment			Adjustments <sup>*1</sup>	Consolidated
	Software business	Investment business	Total		
	(Thousands of yen)	(Thousands of yen)	(Thousands of yen)		
<b>Net sales</b>					
Sales to external customers	2,676,744	—	2,676,744	—	2,676,744
Inter-segment transactions	65	45,651	45,716	-45,716	—
<b>Total</b>	<b>2,676,809</b>	<b>45,651</b>	<b>2,722,460</b>	<b>-45,716</b>	<b>2,676,744</b>
<b>Segment profit (Figures in negative represent loss) <sup>*2</sup></b>	<b>149,724</b>	<b>-7,600</b>	<b>142,123</b>	<b>-53</b>	<b>142,070</b>
Other income and expenses					-404,122
Finance income					157,544
Finance expenses					59,724
Equity in earnings of affiliates					5,484
<b>Pre-tax income (Figures in negative represent loss)</b>	<b>158,748</b>				
<b>Other items</b>					
Depreciation and amortization expenses	326,426	138	326,564	—	326,564
Impairment losses	350,037	—	350,037	—	350,037

(Notes) \*1 "Adjustments" indicates mainly elimination of inter-segment transactions.

\*2 Segment profit calculated by deducting Cost of goods sales and Sales, general and administrative expenses from Net sales.

FY2020 (April 1, 2020-March 31, 2021)

	Reportable segment			Adjustments <sup>*1</sup>	Consolidated
	Software business	Investment business	Total		
	(Thousands of yen)	(Thousands of yen)	(Thousands of yen)		
<b>Net sales</b>					
Sales to external customers	2,688,371	—	2,688,371	—	2,688,371
Inter-segment transactions	64	25,467	25,531	-25,531	—
<b>Total</b>	<b>2,688,434</b>	<b>25,467</b>	<b>2,713,901</b>	<b>-25,531</b>	<b>2,688,371</b>
<b>Segment profit (Figures in negative represent loss)</b>	<b>524,485</b>	<b>-20,305</b>	<b>504,180</b>	<b>356</b>	<b>504,536</b>
<sup>*2</sup>					
Other income and expenses					315,221
Finance income					220,413
Finance expenses					13,737
Equity in earnings of affiliates					-788
<b>Pre-tax income</b>					<b>1,025,645</b>
<b>Other items</b>					
Depreciation and amortization expenses	195,794	226	196,021	—	196,021

(Notes) \*1 "Adjustments" indicates mainly elimination of inter-segment transactions.

\*2 Segment profit calculated by deducting Cost of goods sales and Sales, general and administrative expenses from Net sales.

(Earnings per share)

	FY2019 (April 1, 2019-March 31, 2020)	FY2020 (April 1, 2020-March 31, 2021)
Net income attributable to owners of common stock in the parent (Figures in negative represent loss) (Thousands of yen)	-175,525	807,348
Adjusted net income	—	—
Net income used in the calculation of diluted net income per share (Figures in negative represent loss) (Thousands of yen)	-175,525	807,348
Average number of shares of common stock during the fiscal year	16,458,704	16,470,174
Rise in the number of shares of common stock	—	—
(Impact on dilution effect: earnout)	—	—
New share options	—	—
Average number of shares of common stock during the fiscal year after dilution	16,458,704	16,470,174
Basic earnings per share (Figures in negative represent loss) (Yen)	-10.66	49.02
Diluted earnings per share (Figures in negative represent loss) (Yen)	-10.66	49.02
(Subsequent events)		
None		

#### 4. Others

##### (1) Change in directors

None

##### (2) Other matters

None