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May 13, 2022

Consolidated Financial Results for the Fiscal Year Ended March 31, 2022 (Japanese GAAP)

Company name: Prestige International Inc.
 Listing: Tokyo Stock Exchange
 Securities code: 4290
 URL: <http://www.prestigein.com/>
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 Telephone: +81-3-5213-826
 Scheduled date of annual general meeting of shareholders: June 23, 2022
 Scheduled date to commence dividend payments: June 9, 2022
 Scheduled date to file quarterly securities report: June 24, 2022
 Preparation of supplementary material on quarterly financial results Yes
 Holding of quarterly financial results briefing: Yes(for institutional investors and analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2022	46,744	15.1	6,842	30.7	7,151	31.2	4,357	46.8
March 31, 2021	40,617	△ 4.2	5,233	5.5	5,453	1.6	2,968	△ 7.0

(Note) Comprehensive income For the Fiscal year ended March 31, 2022: ¥5,354 million [37.4%]
 For the Fiscal year ended March 31, 2021: ¥3,896 million [26.6%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2022	34.02	33.85	13.4	14.2	14.6
March 31, 2021	23.18	23.05	10.0	12.2	12.9

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

For the Fiscal year ended March 31, 2022: ¥165 million
 For the Fiscal year ended March 31, 2021: ¥143 million

(Note) Since Accounting Standard for Revenue Recognition (ASBJ Statement No. 29), etc. have been applied from the Fiscal year ended March 31, 2022, the above amounts of consolidated financial results reflect the application of the accounting standard.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2022	54,028	36,566	63.5	268.86
March 31, 2021	46,755	32,888	66.1	241.30

Reference: Equity

As of March 31, 2022 : ¥34,309 million
 As of March 31, 2021 : ¥30,918 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
As of	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2022	6,610	△ 4,345	△ 763	18,218
March 31, 2021	4,630	△ 4,137	△ 1,356	16,291

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Yen	%	%
Fiscal year ended March 31, 2020	—	3.50	—	3.50	7.00	896	30.2	3.0
Fiscal year ended March 31, 2021	—	4.00	—	4.50	8.50	1,086	25.0	3.3
Fiscal year ended March 31, 2022 (Forecast)	—	4.50	—	5.00	9.50		26.9	

(Note) Revisions to the forecast of cash dividends most recently announced: No

3. Forecast of consolidated financial results for the year ending March 31, 2022

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	yen
Half year	25,000	12.1	3,300	7.7	3,400	8.4	2,000	7.9	15.67
Full year	52,000	11.2	7,400	8.2	7,600	6.3	4,500	3.3	35.26

(Note) Revision to the financial results forecast announced most recently: No

Note:

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
 - Newly included: 0 companies (Company name)
 - Excluded: 0 companies (Company name)
- (2) Changes in accounting policies, changes in accounting estimates, and restatement
 - (i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
 - (ii) Changes in accounting policies due to other reasons: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None
- (3) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2022	128,192,400 shares
As of March 31, 2021	128,131,800 shares

- (ii) Number of treasury shares at the end of the period

As of March 31, 2022	580,708 shares
As of March 31, 2021	708 shares

- (iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2022	128,069,526 shares
Fiscal year ended March 31, 2021	128,063,558 shares

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

*Proper use of earnings forecasts, and other special matters

The forecasts given in this document are based on the current available information in the company and certain reasonable assumptions to the company. And we don't commit to achieve these forecasting numbers. Actual results may differ from these forecasts by a variety of reasons.

Consolidated Financial Statements

(1) Consolidated Balance Sheet

(Thousands of yen)

	As of March 31, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and deposits	16,310,272	18,237,698
Notes and accounts receivable - trade	4,027,637	—
Accounts receivable - trade	—	4,730,591
Advances paid	4,323,096	5,410,483
Merchandise and finished goods	34,324	40,462
Work in process	109,316	141,864
Raw materials and supplies	70,654	64,548
Other	3,023,513	3,360,757
Allowance for doubtful accounts	△623,651	△783,531
Total current assets	27,275,163	31,202,874
Non-current assets		
Property, plant and equipment		
Buildings and structures	13,092,970	15,336,241
Accumulated depreciation	△3,314,988	△3,847,699
Buildings and structures, net	9,777,982	11,488,542
Machinery, equipment and vehicles	1,029,096	1,241,905
Accumulated depreciation	△730,936	△851,309
Machinery, equipment and vehicles, net	298,159	390,595
Tools, furniture and fixtures	2,321,195	2,750,628
Accumulated depreciation	△1,500,129	△1,717,116
Tools, furniture and fixtures, net	821,065	1,033,512
Land	118,653	118,653
Leased assets	132,755	249,914
Accumulated depreciation	△67,678	△127,808
Leased assets, net	65,076	122,106
Construction in progress	153,882	70,684
Other	—	3,383
Accumulated depreciation	—	—
Other, net	—	3,383
Total property, plant and equipment	11,234,820	13,227,478
Intangible assets		
Other	1,439,807	1,811,287
Total intangible assets	1,439,807	1,811,287
Investments and other assets		
Investment securities	5,947,399	6,791,947
Long-term loans receivable	20,622	20,027
Deferred tax assets	218,266	259,614
Other	691,976	787,985
Allowance for doubtful accounts	△72,265	△72,463
Total investments and other assets	6,806,000	7,787,111
Total non-current assets	19,480,628	22,825,877
Total assets	46,755,792	54,028,751

(Thousands of yen)

	As of March 31, 2021	As of March 31, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,042,946	1,085,324
Short-term borrowings	—	500,000
Current portion of long-term borrowings	250,000	375,000
Lease liabilities	32,983	20,554
Income taxes payable	1,117,442	1,513,110
Advances received	3,135,422	28,693
Contract liabilities	—	4,633,298
Provision for bonuses	742,044	920,316
Reserve for fulfillment of guarantees	102,263	124,846
Asset retirement obligations	1,914	—
Other	5,033,512	5,370,809
Total current liabilities	11,458,529	14,571,954
Non-current liabilities		
Long-term borrowings	250,000	375,000
Lease liabilities	33,683	102,376
Deferred tax liabilities	424,558	427,777
Retirement benefit liability	7,356	6,494
Asset retirement obligations	1,659,018	1,844,893
Other	33,784	134,026
Total non-current liabilities	2,408,400	2,890,568
Total liabilities	13,866,930	17,462,523
Net assets		
Shareholders' equity		
Share capital	1,502,742	1,519,708
Capital surplus	2,772,011	2,788,977
Retained earnings	25,561,466	28,685,255
Treasury shares	△248	△418,158
Total shareholders' equity	29,835,971	32,575,782
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	507,301	608,758
Foreign currency translation adjustment	575,026	1,124,819
Total accumulated other comprehensive income	1,082,327	1,733,577
Share acquisition rights	153,375	207,798
Non-controlling interests	1,817,187	2,049,069
Total net assets	32,888,861	36,566,228
Total liabilities and net assets	46,755,792	54,028,751

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

(Thousands of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Net sales	40,617,631	46,744,300
Cost of sales	31,422,175	35,440,859
Gross profit	9,195,455	11,303,441
Selling, general and administrative expenses	3,962,250	4,461,254
Operating profit	5,233,204	6,842,187
Non-operating income		
Interest income	4,675	3,492
Interest on securities	139,766	163,844
Dividend income	26,398	27,366
Share of profit of entities accounted for using equity method	143,347	165,481
Other	47,607	72,149
Total non-operating income	361,796	432,334
Non-operating expenses		
Interest expenses	2,061	6,157
Foreign exchange losses	40,105	—
Loss on retirement of non-current assets	14,583	34,853
Employment of People with Disabilities payment	18,868	17,550
Consumption Taxes Adjustment	47,992	59,360
Other	18,336	4,626
Total non-operating expenses	141,948	122,548
Ordinary profit	5,453,052	7,151,973
Extraordinary income		
Gain on sale of non-current assets	16,623	1,153
Subsidy income	482,500	310,911
Other	25,523	—
Total extraordinary income	524,647	312,064
Extraordinary losses		
Loss on sale of non-current assets	67	89
Loss on tax purpose reduction entry of non- current assets	482,500	310,911
Impairment losses	2,830	366
Fraudulent billing surcharge	116,723	—
Other	32,154	34,464
Total extraordinary losses	634,278	345,831
Profit before income taxes	5,343,422	7,118,207
Income taxes - current	1,930,407	2,470,452
Income taxes - deferred	107,545	△59,257
Total income taxes	2,037,952	2,411,194
Profit	3,305,469	4,707,012
Profit attributable to non-controlling interests	336,948	349,846
Profit attributable to owners of parent	2,968,520	4,357,165

(Consolidated Statement of Comprehensive Income)

(Thousands of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Profit	3,305,469	4,707,012
Other comprehensive income		
Valuation difference on available-for-sale securities	305,060	97,619
Foreign currency translation adjustment	285,822	549,792
Total other comprehensive income	590,882	647,412
Comprehensive income	3,896,351	5,354,424
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,549,632	5,008,416
Comprehensive income attributable to non-controlling interests	346,719	346,008

(3) Consolidated Statement of Changes to Shareholders' Equity

Previous consolidated fiscal year (from April 1, 2020 to March 31, 2021)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,494,958	2,765,437	23,489,887	△248	27,750,035
Changes during period					
Issuance of new shares	7,784	7,784			15,568
Dividends of surplus			△896,312		△896,312
Profit attributable to owners of parent			2,968,520		2,968,520
Capital increase of consolidated subsidiaries		△1,199			△1,199
Purchase of share of consolidated subsidiaries treasury stock		△11			△11
Contributions to employee welfare pension fund			△715		△715
Change in scope of consolidation			86		86
Net changes in items other than shareholders' equity					
Total changes during period	7,784	6,573	2,071,579	—	2,085,936
Balance at end of period	1,502,742	2,772,011	25,561,466	△248	29,835,971

	Accumulated other comprehensive income			Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of period	212,011	289,203	501,215	111,285	1,539,331	29,901,867
Changes during period						
Issuance of new shares						15,568
Dividends of surplus						△896,312
Profit attributable to owners of parent						2,968,520
Capital increase of consolidated subsidiaries						△1,199
Purchase of share of consolidated subsidiaries treasury stock						△11
Contributions to employee welfare pension fund						△715
Change in scope of consolidation						86
Net changes in items other than shareholders' equity	295,289	285,822	581,111	42,089	277,856	901,057
Total changes during period	295,289	285,822	581,111	42,089	277,856	2,986,994
Balance at end of period	507,301	575,026	1,082,327	153,375	1,817,187	32,888,861

This consolidated fiscal year (from April 1, 2021 to March 31, 2022)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,502,742	2,772,011	25,561,466	△248	29,835,971
Cumulative effects of changes in accounting policies			△270,851		△270,851
Restated balance	1,502,742	2,772,011	25,290,614	△248	29,565,120
Changes during period					
Issuance of new shares	16,966	16,966			33,932
Dividends of surplus			△961,171		△961,171
Profit attributable to owners of parent			4,357,165		4,357,165
Purchase of treasury shares				△417,910	△417,910
Change in scope of consolidation			△1,353		△1,353
Net changes in items other than shareholders' equity					
Total changes during period	16,966	16,966	3,394,640	△417,910	3,010,662
Balance at end of period	1,519,708	2,788,977	28,685,255	△418,158	32,575,782

	Accumulated other comprehensive income			Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of period	507,301	575,026	1,082,327	153,375	1,817,187	32,888,861
Cumulative effects of changes in accounting policies						△270,851
Restated balance	507,301	575,026	1,082,327	153,375	1,817,187	32,618,009
Changes during period						
Issuance of new shares						33,932
Dividends of surplus						△961,171
Profit attributable to owners of parent						4,357,165
Purchase of treasury shares						△417,910
Change in scope of consolidation						△1,353
Net changes in items other than shareholders' equity	101,457	549,792	651,250	54,423	231,881	937,555
Total changes during period	101,457	549,792	651,250	54,423	231,881	3,948,218
Balance at end of period	608,758	1,124,819	1,733,577	207,798	2,049,069	36,566,228

(4) Consolidated Statement of Cash Flows

(Thousands of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from operating activities		
Profit before income taxes	5,343,422	7,118,207
Depreciation	1,154,776	1,524,516
Increase (decrease) in allowance for doubtful accounts	52,975	158,939
Increase (decrease) in provision for bonuses	87,360	177,950
Increase (decrease) in Reserve for fulfillment of guarantees	16,670	22,582
Interest and dividend income	△170,841	△194,703
Interest expenses	2,061	6,157
Foreign exchange losses (gains)	167,080	34,896
Share of loss (profit) of entities accounted for using equity method	△143,347	△165,481
Subsidy income	△482,500	△310,911
Loss on tax purpose reduction entry of non-current assets	482,500	310,911
Loss (gain) on sale of property, plant and equipment and intangible assets	△16,555	△1,064
Loss (gain) on sale of investment securities	△25,523	2,569
Loss (gain) on valuation of investment securities	32,154	—
Loss on retirement of property, plant and equipment and intangible assets	14,583	66,747
Impairment losses	2,830	366
Decrease (increase) in trade receivables	512,401	△562,244
Decrease (increase) in inventories	△150,210	△32,492
Decrease (increase) in advances paid	56,406	△947,870
Decrease (increase) in other assets	△695,050	△322,040
Increase (decrease) in trade payables	△308,080	△9,458
Increase (decrease) contract liabilities	—	1,104,290
Increase (decrease) in other liabilities	1,692,129	363,995
Increase (decrease) in accrued consumption taxes	△988,060	21,563
Other, net	55,730	110,704
Subtotal	6,692,915	8,478,133
Income taxes paid	△2,224,036	△2,053,050
Interest and dividends received	163,963	192,150
Interest paid	△2,037	△6,766
Net cash provided by (used in) operating activities	4,630,805	6,610,466
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	△3,567,503	△3,904,809
Proceeds from sale of property, plant and equipment and intangible assets	17,424	2,928
Purchase of investment securities	△993,087	△570,942
Proceeds from sale of investment securities	32,414	1,173
Loan advances	△10,037	△6,220
Proceeds from collection of loans receivable	8,760	6,887
Payments of guarantee deposits	△49,324	△121,681
Proceeds from refund of guarantee deposits	23,516	37,933
Subsidies received	430,348	204,666
Payments into time deposits	△24,991	△23,994
Proceeds from withdrawal of time deposits	56,270	23,732
Other, net	△60,945	4,379
Net cash provided by (used in) investing activities	△4,137,156	△4,345,946

(Thousands of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from financing activities		
Proceeds from short-term borrowings	—	500,000
Repayments of short-term borrowings	△100,000	—
Proceeds from long-term borrowings	—	500,000
Repayments of long-term borrowings	△250,000	△250,000
Purchase of treasury shares	—	△417,910
Dividends paid	△896,042	△959,234
Repayments of lease liabilities	△31,460	△24,499
Dividends paid to non-controlling interests	△103,378	△114,126
Proceeds from exercise of employee share options	24,100	1,913
Purchase of treasury shares of subsidiaries	△19	—
Net cash provided by (used in) financing activities	△1,356,801	△763,858
Effect of exchange rate change on cash and cash equivalents	67,168	372,111
Net increase (decrease) in cash and cash equivalents	△795,984	1,872,774
Cash and cash equivalents at beginning of period	17,036,941	16,291,368
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	50,411	54,224
Cash and cash equivalents at end of period	16,291,368	18,218,367