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July 29, 2022

Consolidated Financial Results for the Three Months Ended June 30, 2022 (Japanese GAAP)

Company name: Prestige International Inc.
Listing: Tokyo Stock Exchange First Section
Securities code: 4290
URL: <http://www.prestigein.com/>
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Scheduled date to file quarterly securities report: August 10, 2022
Scheduled date to commence dividend payments: —

Preparation of supplementary material on quarterly financial results: Yes
Holding of quarterly financial results briefing: No

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

1. Consolidated financial results for the Three months ended June 30, 2022 (from April 1, 2022 to June 30, 2022)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended								
June 30, 2022	12,611	17.9	1,886	27.0	1,955	34.9	1,100	36.3
June 30, 2021	10,693	12.9	1,484	14.5	1,449	19.0	807	13.7
(Note) Comprehensive income	For the Three months ended June 30, 2022:		¥1,882 million		[111.2%]		For the Three months ended June 30, 2021:	
			¥891 million		[△ 2.9%]			

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2022	8.63	8.58
June 30, 2021	6.30	6.27

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
June 30, 2022	55,694	37,821	63.8
March 31, 2022	54,028	36,566	63.5

Reference: Equity

As of June 30, 2022 : ¥35,522 million
As of March 31, 2022 : ¥34,309 million



2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
Fiscal year ended March 31, 2022	Yen –	Yen 4.00	Yen –	Yen 4.50	Yen 8.50
Fiscal year ended March 31, 2023	–				
Fiscal year ended March 31, 2023 (Forecast)		4.50	–	5.00	9.50

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

3. Forecast of consolidated financial results for the year ending March 31, 2023

	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 Three months ended June 30, 2022 : None
 (2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: None
 (3) Changes in accounting policies, changes in accounting estimates and retrospective restatement
 1) Changes in accounting policies due to the revision of accounting standards: Yes
 2) Changes in accounting policies due to other reasons: None
 3) Changes in accounting estimates: None
 4) Restatement of prior period financial statements: None

(4) Number of issued shares (common shares)

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

As of June 30, 2022	128,134,200 shares	As of March 31, 2022	128,192,400 shares
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Number of treasury shares at the end of the period

As of June 30, 2022	580,708 shares	As of March 31, 2022	580,708 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

As of June 30, 2022	127,551,892 shares	As of June 30, 2021	128,131,092 shares
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*Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

*Explanation for appropriate use of financial forecasts and other special notes

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 and Primary Notes

(1) Consolidated Balance Sheet

(Thousands of yen)

	As of March 31, 2022	As of June 30, 2022
Assets		
Current assets		
Cash and deposits	18,237,698	18,748,797
Accounts receivable – trade	4,730,591	4,721,031
Advances paid	5,410,483	6,172,197
Merchandise and finished goods	40,462	50,630
Work in process	141,864	172,174
Raw materials and supplies	64,548	81,484
Other	3,360,757	3,864,150
Allowance for doubtful accounts	△783,531	△887,327
Total current assets	<u>31,202,874</u>	<u>32,923,138</u>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	11,488,542	11,366,829
Other, net	1,738,935	1,797,191
Total property, plant and equipment	<u>13,227,478</u>	<u>13,164,021</u>
Intangible assets		
Other	1,811,287	1,784,768
Total intangible assets	<u>1,811,287</u>	<u>1,784,768</u>
Investments and other assets		
Investment securities	6,791,947	6,988,294
Other	1,067,626	906,152
Allowance for doubtful accounts	△72,463	△72,119
Total investments and other assets	<u>7,787,111</u>	<u>7,822,327</u>
Total non-current assets	<u>22,825,877</u>	<u>22,771,117</u>
Total assets	<u>54,028,751</u>	<u>55,694,256</u>

(Thousands of yen)

	As of March 31, 2022	As of June 30, 2022
Liabilities		
Current liabilities		
Notes and accounts payable – trade	1,085,324	1,234,060
Short-term borrowings	875,000	875,000
Income taxes payable	1,513,110	636,585
Contract liabilities	4,633,298	5,670,710
Provision for bonuses	920,316	373,482
Reserve for fulfillment of guarantees	124,846	159,364
Other	5,420,058	5,940,353
Total current liabilities	<u>14,571,954</u>	<u>14,889,555</u>
Non-current liabilities		
Long-term borrowings	375,000	375,000
Retirement benefit liability	6,494	7,869
Asset retirement obligations	1,844,893	1,850,855
Other	664,180	749,770
Total non-current liabilities	<u>2,890,568</u>	<u>2,983,495</u>
Total liabilities	<u>17,462,523</u>	<u>17,873,051</u>
Net assets		
Shareholders' equity		
Share capital	1,519,708	1,519,833
Capital surplus	2,788,977	2,789,464
Retained earnings	28,685,255	29,211,480
Treasury shares	△418,158	△418,158
Total shareholders' equity	<u>32,575,782</u>	<u>33,102,619</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	608,758	698,218
Foreign currency translation adjustment	<u>1,124,819</u>	<u>1,721,689</u>
Total accumulated other comprehensive income	<u>1,733,577</u>	<u>2,419,908</u>
Share acquisition rights	<u>207,798</u>	<u>216,168</u>
Non-controlling interests	<u>2,049,069</u>	<u>2,082,509</u>
Total net assets	<u>36,566,228</u>	<u>37,821,205</u>
Total liabilities and net assets	<u>54,028,751</u>	<u>55,694,256</u>

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

(Thousands of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Net sales	10,693,759	12,611,159
Cost of sales	8,199,411	9,516,986
Gross profit	2,494,347	3,094,173
Selling, general and administrative expenses	1,009,633	1,208,028
Operating profit	1,484,713	1,886,144
Non-operating income		
Interest income	490	1,230
Interest on securities	38,303	50,379
Dividend income	5,446	5,666
Share of profit of entities accounted for using equity method	—	6,621
Other	6,656	22,093
Total non-operating income	50,898	85,992
Non-operating expenses		
Interest expenses	612	1,641
Commission expenses	—	4,000
Share of loss of entities accounted for using equity method	56,512	—
Employment of People with Disabilities payment	17,550	4,125
Other	11,053	7,201
Total non-operating expenses	85,728	16,968
Ordinary profit	1,449,882	1,955,168
Extraordinary income		
Gain on sale of non-current assets	336	581
Subsidy income	1,594	—
Total extraordinary income	1,931	581
Extraordinary losses		
Loss on sale of non-current assets	—	9
Loss on retirement of non-current assets	28,511	—
Impairment losses	366	613
Loss on valuation of investment securities	—	3,860
Other	1,594	—
Total extraordinary losses	30,473	4,482
Profit before income taxes	1,421,340	1,951,267
Income taxes - current	404,676	595,491
Income taxes - deferred	132,629	160,149
Total income taxes	537,306	755,641
Profit	884,034	1,195,625
Profit attributable to non-controlling interests	76,653	95,148
Profit attributable to owners of parent	807,381	1,100,477

(Consolidated Statement of Comprehensive Income)

(Thousands of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Profit	884,034	1,195,625
Other comprehensive income		
Valuation difference on available-for-sale securities	14,945	90,500
Foreign currency translation adjustment	△7,604	596,870
Total other comprehensive income	7,341	687,371
Comprehensive income	891,376	1,882,996
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	813,773	1,786,808
Comprehensive income attributable to non-controlling interests	77,603	96,188