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May 12, 2023

Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (Japanese GAAP)

Company name: Prestige International Inc.
 Listing: Tokyo Stock Exchange
 Securities code: 4290
 URL: <http://www.prestigein.com/>
 Representative: Shinichi Tamagami, Representative Director, President and Group CEO
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 Telephone: +81-3-5213-826
 Scheduled date of annual general meeting of shareholders: June 22, 2023
 Scheduled date to commence dividend payments: June 8, 2023
 Scheduled date to file quarterly securities report: June 23, 2023
 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, 2023 (from April 1, 2022 to March 31, 2023)

(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, 2023	54,562	16.7	7,840	14.6	8,378	17.2	5,318	22.1
March 31, 2022	46,744	15.1	6,842	30.7	7,151	31.2	4,357	46.8

(Note) Comprehensive income For the Fiscal year ended March 31, 2023: ¥6,354 million [18.7%]
 For the Fiscal year ended March 31, 2022: ¥5,354 million [37.4%]

	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, 2023	41.62	41.45	14.5	14.7	14.4
March 31, 2022	34.02	33.85	13.4	14.2	14.6

Reference: Share of profit (loss) of entities accounted for using equity method
 For the Fiscal year ended March 31, 2023: ¥322 million
 For the Fiscal year ended March 31, 2022: ¥165 million

(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, 2023	60,273	41,817	64.8	305.35
March 31, 2022	54,028	36,566	63.5	268.86

Reference: Equity
 As of March 31, 2023 : ¥39,079 million
 As of March 31, 2022 : ¥34,309 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, 2023	7,888	△ 2,637	△ 2,152	21,651
March 31, 2022	6,610	△ 4,345	△ 763	18,218

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, 2022	—	4.00	—	4.50	8.50	1,086	25.0	3.3
Fiscal year ended March 31, 2023	—	5.00	—	6.00	11.00	1,407	26.4	3.8
Fiscal year ended March 31, 2024 (Forecast)	—	6.00	—	6.00	12.00		29.5	

(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	26,500	1.2	3,800	△ 1.0	4,000	△ 1.0	2,400	△ 2.4	18.78
Full year	56,500	3.6	8,200	4.6	8,700	3.8	5,200	△ 2.2	40.70

(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
- (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, 2023	128,560,700 shares
As of March 31, 2022	128,192,400 shares

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

As of March 31, 2023	580,708 shares
As of March 31, 2022	580,708 shares

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

Fiscal year ended March 31, 2023	127,778,100 shares
Fiscal year ended March 31, 2022	128,069,526 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, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	18,237,698	21,671,467
Accounts receivable - trade	4,730,591	5,304,236
Advances paid	5,410,483	6,549,144
Merchandise and finished goods	40,462	69,380
Work in process	141,864	173,593
Raw materials and supplies	64,548	63,840
Other	3,360,757	3,354,858
Allowance for doubtful accounts	△783,531	△1,293,676
Total current assets	31,202,874	35,892,843
Non-current assets		
Property, plant and equipment		
Buildings and structures	15,336,241	15,558,229
Accumulated depreciation	△3,847,699	△4,472,790
Buildings and structures, net	11,488,542	11,085,438
Machinery, equipment and vehicles	1,241,905	1,380,932
Accumulated depreciation	△851,309	△1,013,462
Machinery, equipment and vehicles, net	390,595	367,469
Tools, furniture and fixtures	2,754,012	3,119,112
Accumulated depreciation	△1,717,116	△2,030,158
Tools, furniture and fixtures, net	1,036,895	1,088,954
Land	118,653	118,653
Leased assets	249,914	250,802
Accumulated depreciation	△127,808	△158,728
Leased assets, net	122,106	92,074
Construction in progress	70,684	944,459
Total property, plant and equipment	13,227,478	13,697,049
Intangible assets		
Goodwill	—	135,000
Other	1,811,287	1,890,878
Total intangible assets	1,811,287	2,025,878
Investments and other assets		
Investment securities	6,791,947	7,655,097
Long-term loans receivable	20,027	19,679
Deferred tax assets	259,614	272,006
Other	787,985	778,154
Allowance for doubtful accounts	△72,463	△67,619
Total investments and other assets	7,787,111	8,657,318
Total non-current assets	22,825,877	24,380,246
Total assets	54,028,751	60,273,090

(Thousands of yen)

	As of March 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,085,324	1,349,742
Short-term borrowings	500,000	—
Current portion of long-term borrowings	375,000	125,000
Lease liabilities	20,554	33,407
Income taxes payable	1,513,110	1,365,018
Contract liabilities	4,633,298	5,907,561
Provision for bonuses	920,316	748,606
Reserve for fulfillment of guarantees	124,846	252,391
Other	5,399,503	5,920,006
Total current liabilities	14,571,954	15,701,735
Non-current liabilities		
Long-term borrowings	375,000	250,000
Lease liabilities	102,376	60,668
Deferred tax liabilities	427,777	424,852
Retirement benefit liability	6,494	13,545
Asset retirement obligations	1,844,893	1,885,046
Other	134,026	119,403
Total non-current liabilities	2,890,568	2,753,516
Total liabilities	17,462,523	18,455,251
Net assets		
Shareholders' equity		
Share capital	1,519,708	1,570,641
Capital surplus	2,788,977	2,840,271
Retained earnings	28,685,255	32,788,867
Treasury shares	△418,158	△418,158
Total shareholders' equity	32,575,782	36,781,620
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	608,758	591,133
Foreign currency translation adjustment	1,124,819	1,706,346
Total accumulated other comprehensive income	1,733,577	2,297,480
Share acquisition rights	207,798	249,802
Non-controlling interests	2,049,069	2,488,934
Total net assets	36,566,228	41,817,838
Total liabilities and net assets	54,028,751	60,273,090

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

(Thousands of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net sales	46,744,300	54,562,956
Cost of sales	35,440,859	41,263,500
Gross profit	11,303,441	13,299,456
Selling, general and administrative expenses	4,461,254	5,458,871
Operating profit	6,842,187	7,840,584
Non-operating income		
Interest income	3,492	6,578
Interest on securities	163,844	225,798
Dividend income	27,366	30,092
Share of profit of entities accounted for using equity method	165,481	322,708
Other	72,149	50,787
Total non-operating income	432,334	635,964
Non-operating expenses		
Interest expenses	6,157	5,327
Provision of allowance for doubtful accounts	—	11,677
Foreign exchange losses	—	40,084
Consumption Taxes Adjustment	59,360	14,561
Other	57,030	26,240
Total non-operating expenses	122,548	97,891
Ordinary profit	7,151,973	8,378,657
Extraordinary income		
Gain on sale of non-current assets	1,153	1,855
Subsidy income	310,911	103,857
Other	—	1,130
Total extraordinary income	312,064	106,843
Extraordinary losses		
Loss on sale of non-current assets	89	94
Loss on tax purpose reduction entry of non- current assets	310,911	103,857
Impairment losses	366	2,286
Other	34,464	3,860
Total extraordinary losses	345,831	110,098
Profit before income taxes	7,118,207	8,375,402
Income taxes - current	2,470,452	2,615,696
Income taxes - deferred	△59,257	△15,578
Total income taxes	2,411,194	2,600,117
Profit	4,707,012	5,775,284
Profit attributable to non-controlling interests	349,846	456,593
Profit attributable to owners of parent	4,357,165	5,318,691

(Consolidated Statement of Comprehensive Income)

(Thousands of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Profit	4,707,012	5,775,284
Other comprehensive income		
Valuation difference on available-for-sale securities	97,619	△2,034
Foreign currency translation adjustment	549,792	581,527
Total other comprehensive income	647,412	579,492
Comprehensive income	5,354,424	6,354,777
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,008,416	5,882,594
Comprehensive income attributable to non-controlling interests	346,008	472,183

(3) Consolidated Statement of Changes to Shareholders' Equity

Previous 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

This consolidated fiscal year (from April 1, 2022 to March 31, 2023)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,519,708	2,788,977	28,685,255	△418,158	32,575,782
Changes during period					
Issuance of new shares	50,932	50,932			101,865
Dividends of surplus			△1,213,412		△1,213,412
Profit attributable to owners of parent			5,318,691		5,318,691
Capital increase of consolidated subsidiaries		361			361
Change in scope of consolidation			△1,667		△1,667
Net changes in items other than shareholders' equity					
Total changes during period	50,932	51,293	4,103,611	—	4,205,838
Balance at end of period	1,570,641	2,840,271	32,788,867	△418,158	36,781,620

	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	608,758	1,124,819	1,733,577	207,798	2,049,069	36,566,228
Changes during period						
Issuance of new shares						101,865
Dividends of surplus						△1,213,412
Profit attributable to owners of parent						5,318,691
Capital increase of consolidated subsidiaries						361
Change in scope of consolidation						△1,667
Net changes in items other than shareholders' equity	△17,625	581,527	563,902	42,003	439,864	1,045,771
Total changes during period	△17,625	581,527	563,902	42,003	439,864	5,251,609
Balance at end of period	591,133	1,706,346	2,297,480	249,802	2,488,934	41,817,838

(4) Consolidated Statement of Cash Flows

(Thousands of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	7,118,207	8,375,402
Depreciation	1,524,516	1,794,774
Amortization of goodwill	—	17,817
Increase (decrease) in allowance for doubtful accounts	158,939	502,643
Increase (decrease) in provision for bonuses	177,950	△171,856
Increase (decrease) in Reserve for fulfillment of guarantees	22,582	127,545
Interest and dividend income	△194,703	△262,468
Interest expenses	6,157	5,327
Foreign exchange losses (gains)	34,896	△89,149
Share of loss (profit) of entities accounted for using equity method	△165,481	△322,708
Subsidy income	△310,911	△103,857
Loss on tax purpose reduction entry of non-current assets	310,911	103,857
Loss (gain) on sale of property, plant and equipment and intangible assets	△1,064	△1,761
Loss (gain) on sale of investment securities	2,569	△1,130
Loss (gain) on valuation of investment securities	—	5,136
Loss on retirement of property, plant and equipment and intangible assets	66,747	9,602
Impairment losses	366	2,286
Decrease (increase) in trade receivables	△562,244	△537,192
Decrease (increase) in inventories	△32,492	△59,823
Decrease (increase) in advances paid	△947,870	△983,195
Decrease (increase) in other assets	△322,040	65,338
Increase (decrease) in trade payables	△9,458	231,596
Increase (decrease) contract liabilities	1,104,290	1,268,586
Increase (decrease) in other liabilities	363,995	433,681
Increase (decrease) in accrued consumption taxes	21,563	△105,865
Other, net	110,704	107,233
Subtotal	8,478,133	10,411,821
Income taxes paid	△2,053,050	△2,780,970
Interest and dividends received	192,150	262,424
Interest paid	△6,766	△5,093
Net cash provided by (used in) operating activities	6,610,466	7,888,182
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	△3,904,809	△2,458,479
Proceeds from sale of property, plant and equipment and intangible assets	2,928	75,806
Purchase of investment securities	△570,942	△730,546
Proceeds from sale of investment securities	1,173	8,411
Proceeds from redemption of investment securities	—	259,320
Loan advances	△6,220	△14,081
Proceeds from collection of loans receivable	6,887	9,038
Payments of guarantee deposits	△121,681	△85,541
Proceeds from refund of guarantee deposits	37,933	75,102
Subsidies received	204,666	226,472
Payments into time deposits	△23,994	△25,007
Proceeds from withdrawal of time deposits	23,732	24,755
Other, net	4,379	△2,561
Net cash provided by (used in) investing activities	△4,345,946	△2,637,309

(Thousands of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from financing activities		
Proceeds from short-term borrowings	500,000	—
Repayments of short-term borrowings	—	△500,000
Proceeds from long-term borrowings	500,000	—
Repayments of long-term borrowings	△250,000	△375,000
Purchase of treasury shares	△417,910	—
Dividends paid	△959,234	△1,210,576
Repayments of lease liabilities	△24,499	△63,511
Proceeds from share issuance to non-controlling shareholders	—	98,000
Dividends paid to non-controlling interests	△114,126	△131,389
Proceeds from exercise of employee share options	1,913	30,037
Net cash provided by (used in) financing activities	△763,858	△2,152,440
Effect of exchange rate change on cash and cash equivalents	372,111	334,942
Net increase (decrease) in cash and cash equivalents	1,872,774	3,433,374
Cash and cash equivalents at beginning of period	16,291,368	18,218,367
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	54,224	—
Cash and cash equivalents at end of period	18,218,367	21,651,741