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July 28, 2023

Consolidated Financial Results for the Three Months Ended June 30, 2023 (Japanese GAAP)

Company name: Prestige International Inc.
 Listing: Tokyo Stock Exchange Prime Market
 Securities code: 4290
 URL: <http://www.prestigein.com/>
 Representative: Shinichi Tamagami, Representative Director, President and Group CEO
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 Scheduled date to file quarterly securities report: August 10, 2023
 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, 2023 (from April 1, 2023 to June 30, 2023)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2023	13,917	10.4	1,889	0.2	1,965	0.5	1,074	△ 2.4
June 30, 2022	12,611	17.9	1,886	27.0	1,955	34.9	1,100	36.3

(Note) Comprehensive income For the Three months ended June 30, 2023: ¥2,066 million [9.7%]
 For the Three months ended June 30, 2022: ¥1,882 million [111.2%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2023	8.39	8.37
June 30, 2022	8.62	8.58

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
June 30, 2023	62,601	43,054	64.3
March 31, 2023	60,273	41,817	64.8

Reference: Equity
 As of June 30, 2023 : ¥40,223 million
 As of March 31, 2023 : ¥39,079 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2023	—	5.00	—	6.00	11.00
Fiscal year ended March 31, 2024	—	6.00			
Fiscal year ended March 31, 2024 (Forecast)			—	6.00	12.00

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

3. Forecast of consolidated financial results for the year ending March 31, 2024

	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:

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|---|------|
| (1) Changes in significant subsidiaries during the Three months ended June 30, 2023 : | 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: | None |
| 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, 2023	128,582,700 shares	As of March 31, 2023	128,560,700 shares
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Number of treasury shares at the end of the period

As of June 30, 2023	580,708 shares	As of March 31, 2023	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, 2023	127,987,325 shares	As of June 30, 2022	127,612,492 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, 2023	As of June 30, 2023
Assets		
Current assets		
Cash and deposits	21,671,467	21,172,662
Accounts receivable - trade	5,304,236	5,183,360
Advances paid	6,549,144	8,438,406
Merchandise and finished goods	69,380	62,152
Work in process	173,593	197,611
Raw materials and supplies	63,840	86,065
Other	3,354,858	3,897,252
Allowance for doubtful accounts	△1,293,676	△1,480,635
Total current assets	35,892,843	37,556,877
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	11,085,438	11,063,376
Other, net	2,611,611	2,613,042
Total property, plant and equipment	13,697,049	13,676,419
Intangible assets		
Goodwill	135,000	127,500
Other	1,890,878	1,966,450
Total intangible assets	2,025,878	2,093,950
Investments and other assets		
Investment securities	7,655,097	8,410,090
Other	1,069,841	932,928
Allowance for doubtful accounts	△67,619	△68,332
Total investments and other assets	8,657,318	9,274,687
Total non-current assets	24,380,246	25,045,057
Total assets	60,273,090	62,601,934

(Thousands of yen)

	As of March 31, 2023	As of June 30, 2023
Liabilities		
Current liabilities		
Notes and accounts payable – trade	1,349,742	1,226,585
Short-term borrowings	125,000	125,000
Income taxes payable	1,365,018	637,499
Contract liabilities	5,907,561	6,794,691
Provision for bonuses	748,606	464,988
Reserve for fulfillment of guarantees	252,391	284,544
Other	5,953,414	7,070,016
Total current liabilities	15,701,735	16,603,325
Non-current liabilities		
Long-term borrowings	250,000	250,000
Retirement benefit liability	13,545	14,894
Asset retirement obligations	1,885,046	1,922,335
Other	604,924	757,052
Total non-current liabilities	2,753,516	2,944,282
Total liabilities	18,455,251	19,547,608
Net assets		
Shareholders' equity		
Share capital	1,570,641	1,572,942
Capital surplus	2,840,271	2,842,573
Retained earnings	32,788,867	33,091,814
Treasury shares	△418,158	△418,158
Total shareholders' equity	36,781,620	37,089,171
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	591,133	903,213
Foreign currency translation adjustment	1,706,346	2,230,972
Total accumulated other comprehensive income	2,297,480	3,134,186
Share acquisition rights	249,802	259,576
Non-controlling interests	2,488,934	2,571,392
Total net assets	41,817,838	43,054,326
Total liabilities and net assets	60,273,090	62,601,934

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

(Thousands of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Net sales	12,611,159	13,917,739
Cost of sales	9,516,986	10,663,692
Gross profit	3,094,173	3,254,047
Selling, general and administrative expenses	1,208,028	1,364,207
Operating profit	1,886,144	1,889,839
Non-operating income		
Interest income	1,230	1,979
Interest on securities	50,379	67,575
Dividend income	5,666	6,124
Share of profit of entities accounted for using equity method	6,621	43,075
Other	22,093	13,297
Total non-operating income	85,992	132,051
Non-operating expenses		
Interest expenses	1,641	1,252
Commission expenses	4,000	—
Employment of People with Disabilities payment	4,125	—
Foreign exchange losses	1,678	33,785
Other	5,523	21,828
Total non-operating expenses	16,968	56,866
Ordinary profit	1,955,168	1,965,024
Extraordinary income		
Gain on sale of non-current assets	※1 581	※1 1,627
Gain on sale of investment securities	—	3,487
Total extraordinary income	581	5,115
Extraordinary losses		
Loss on sale of non-current assets	※2 9	—
Impairment losses	613	—
Loss on valuation of investment securities	3,860	—
Total extraordinary losses	4,482	—
Profit before income taxes	1,951,267	1,970,140
Income taxes - current	595,491	607,547
Income taxes - deferred	160,149	150,636
Total income taxes	755,641	758,184
Profit	1,195,625	1,211,955
Profit attributable to non-controlling interests	95,148	137,754
Profit attributable to owners of parent	1,100,477	1,074,200

(Consolidated Statement of Comprehensive Income)

(Thousands of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Profit	1,195,625	1,211,955
Other comprehensive income		
Valuation difference on available-for-sale securities	90,500	329,863
Foreign currency translation adjustment	596,870	524,625
Total other comprehensive income	687,371	854,489
Comprehensive income	1,882,996	2,066,445
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,786,808	1,910,906
Comprehensive income attributable to non-controlling interests	96,188	155,538