Note: This document is an English translation of the "Kessan Tanshin" for the fiscal year that ended March 31, 2022 and is provided solely for reference purposes. In the event of any inconsistency between the Japanese and English versions, the Japanese version will govern.

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

April 28, 2022

Company name:	ID Holdings Corporation
Listing:	Tokyo Stock Exchange, Prime Market
Securities code:	4709
URL:	https://www.idnet-hd.co.jp
Company representative:	Masaki Funakoshi, President and Representative Director
Direct inquiries to:	Yasuhiro Araki, Senior Officer Manager, Corporate Strategy Department Tel: +81 3-3262-5177
Scheduled date of the Annual General Meeting of Shareholders:	June 17, 2022
Scheduled date of dividend payment:	June 20, 2022
Scheduled date of filing of the Annual Securities Report:	June 20, 2022
Preparation of supplementary materials on financial results:	Yes
Presentation on results:	Yes (for institutional investors and financial analysts)

(Amounts of less than ¥1 million are truncated)

1. Consolidated Financial Results for FY2021 (April 1, 2021–March 31, 2022)

(1) Consolidated Business Results

(% indicates YoY changes)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%
FY2021	27,805	—	1,869	—	1,922	—	1,046	—
FY2020	25,766	–2.3	1,372	–33.8	1,553	–26.4	747	–42.3

Note: Comprehensive income FY2021 ¥1,184 million (– %) FY2020 ¥954 million (–13.8%)

	Net income per share	Diluted net income per share	Return on equity	Return on assets	Operating income margin
	¥	¥	%	%	%
FY2021	61.61	61.50	11.2	11.6	6.7
FY2020	44.37	44.07	8.3	9.7	5.3

Reference: Equity in income of affiliates FY2021 ¥– million FY2020 ¥– million

	EBITDA		EPS before amortization of goodwill	
	¥ million	%	¥	%
FY2021	2,491	—	87.78	—
FY2020	1,877	–24.8	65.06	–30.1

Notes: 1. From the beginning of the consolidated fiscal year under review, the Group applies the Accounting Standard for Revenue Recognition (Accounting Standards Board of Japan (ASBJ) Statement No. 29, March 31, 2020) of the Japanese generally accepted accounting principles (J-GAAP). The numerical figures in the above FY2021 consolidated business results constitute the figures after the application of this standard. As such, YoY comparisons are not provided.

2. On July 1, 2021, the Group executed a share split at a ratio of 1.5 new shares per previous common share. The figures for net income per share, diluted net income per share and EPS before amortization of goodwill are calculated as if this share split had occurred at the beginning of the previous consolidated fiscal year.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Book value per share
	¥ million	¥ million	%	¥
FY2021	16,238	9,446	57.9	566.65
FY2020	16,796	9,408	55.7	546.16

Reference: Equity FY2021 ¥9,400 million FY2020 ¥9,361 million

Notes: 1. From the beginning of the consolidated fiscal year under review, the Group applies the Accounting Standard for Revenue Recognition (Accounting Standards Board of Japan (ASBJ) Statement No. 29, March 31, 2020) of the Japanese generally accepted accounting principles (J-GAAP). The numerical figures in the above FY2021 consolidated financial position constitute the figures after the application of this standard.

2. On July 1, 2021, the Group executed a share split at a ratio of 1.5 new shares per previous common share. The figures for book value per share are calculated as if this share split had occurred at the beginning of the previous consolidated fiscal year.

(3) Consolidated Cash Flow

	Cash flows from operating activities	Cash flows from investment activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	¥ million	¥ million	¥ million	¥ million
FY2021	1,842	–9	–1,889	4,713
FY2020	–607	–612	1,490	4,671

2. Dividends

	Annual dividends					Total amount of cash dividends (annual)	Payout ratio (consolidated)	Dividend on equity (consolidated)
	End of the first quarter	End of the second quarter	End of the third quarter	End of the fiscal period	Total			
	¥	¥	¥	¥	¥	¥ million	%	%
FY2020	–	25.00	–	25.00	50.00	577	75.1	6.3
FY2021	–	20.00	–	20.00	40.00	690	64.9	7.2
FY2022 (forecast)	–	20.00	–	20.00	40.00		60.3	

Note: On July 1, 2021, the Group executed a share split at a ratio of 1.5 new shares per previous common share. As a result, the dividend distributed in FY2021 was ¥60.00 per share as calculated based on the number of shares before the share split. Real increase in dividend is ¥10.00 per share.

3. Forecasts of Consolidated Results for FY2022 (April 1, 2022–March 31, 2023)

(% indicates YoY changes)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Net income per share
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥
FY2022 (full fiscal year)	29,000	4.3	1,950	4.3	2,000	4.0	1,100	5.1	66.31

	EBITDA		EPS before amortization of goodwill	
	¥ million	%	¥	%
FY2022 (full fiscal year)	2,580	3.5	93.10	6.1

Note: The forecast for Q2 may change significantly after conditions normalize following the current COVID-19 pandemic. For this reason, the Group is currently providing a full-year forecast only. For details, please refer to (5) Forecast under Section 1. Summary of Business Results, etc. on page 8 of the Attachment.

*Notes

(1) Changes in important subsidiaries during the period
Changes in specified subsidiaries resulting in change in consolidation scope: No

(2) Changes in accounting policies, changes in accounting estimates and restatements

(i) Changes in accounting policies due to revisions of accounting standards, etc.: Yes

(ii) Changes in accounting policies other than (i): No

(iii) Changes in accounting estimates: No

(iv) Restatements: No

Note: For details, please refer to (5) Notes on Consolidated Financial Statements (Changes in Accounting Policies) under Section 3. Consolidated Financial Statements and Important Notes on page 18 of the Attachment.

(3) Number of shares outstanding (common stock)

(i) Number of shares outstanding (inclusive of treasury stock)	FY2021	18,066,453 shares	FY2020	18,066,453 shares
(ii) Amount of treasury stock	FY2021	1,476,462 shares	FY2020	925,995 shares
(iii) Interim average number of shares	FY2021	16,983,271 shares	FY2020	16,851,517 shares

Note: On July 1, 2021, the Group executed a share split at a ratio of 1.5 new shares per previous common share. The figures for number of shares outstanding, amount of treasury stock and interim average number of shares are calculated as if this share split had occurred at the beginning of the previous consolidated fiscal year.

(4) Calculation of certain management indices
- EBITDA = Operating income + depreciation + amortization of goodwill
- EPS before amortization of goodwill = Net income after adjustments* ÷ interim average number of shares

*Net income after adjustments = Net income attributable to owners of parent + amortization of goodwill

Reference: Outline of unconsolidated financial results

1. Unconsolidated Financial Results for FY2021 (April 1, 2021–March 31, 2022)

(1) Unconsolidated Business Results (% indicates YoY changes)

	Operating revenue		Operating income		Ordinary income		Net income	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%
FY2021	1,935	–6.2	1,082	–16.6	1,092	–18.8	1,070	–11.9
FY2020	2,062	94.9	1,298	374.2	1,345	368.5	1,214	384.2

	Net income per share	Diluted net income per share
	¥	¥
FY2021	63.02	62.91
FY2020	72.06	71.57

Note: On July 1, 2021, the Group executed a share split at a ratio of 1.5 new shares per previous common share. The figures for net income per share and diluted net income per share are calculated as if this share split had occurred at the beginning of the previous fiscal year.

(2) Unconsolidated Financial Position

	Total assets	Net assets	Equity ratio	Book value per share
	¥ million	¥ million	%	¥
FY2021	11,074	8,410	75.9	506.96
FY2020	11,440	8,481	74.1	494.40

Reference: Equity FY2021 ¥8,410 million FY2020 ¥8,474 million

Note: On July 1, 2021, the Group executed a share split at a ratio of 1.5 new shares per previous common share. The figures for book value per share are calculated as if this share split had occurred at the beginning of the previous fiscal year.

* The Consolidated Financial Results are not subject to audit by a certified public accountant or audit corporation.

* Qualitative information relating to the appropriate use of results forecasts, and other noteworthy items
Results forecasts are estimates based on the information that was available as of the day the results were announced, and some of this information may be uncertain. The actual results, etc. may be different from the forecasts because of changes in business conditions, etc. See (5) Forecast under Section 1. Summary of Business Results, etc. on page 8 of the Attachment for the assumptions that form the basis of results forecasts and other things to remember when relying on results forecasts.
The ID Group has also introduced a board benefit trust (BBT) and Japanese employee stock ownership plan (J-ESOP). Company shares held by Custody Bank of Japan, Ltd. (Trust Account E) as trust property for the BBT and J-ESOP plans are included in treasury stock.

(Method of obtaining supplementary explanatory materials regarding results and details of the results briefing)
The ID Group will hold a results briefing for institutional investors and analysts on May 26, 2022. The materials that will be distributed at the briefing will be posted on the Group website promptly after the briefing.

Contents

1. Summary of Business Results, etc.

(1) Summary of Business Results for the Period

During the consolidated fiscal year under review (April 1, 2021 to March 31, 2022: FY2021), activity levels in the Japanese economy were expected to recover, as vaccination against COVID-19 progressed. However, the path forward remained unclear. The prospect of new waves of infections, sparked by new variants of the coronavirus, raised concerns, while accelerating inflation caused by rapidly rising energy costs and the depreciation of the yen were concerns for the near term.

The information services industry, to which the ID Group belongs, is overall on a recovery footing. While some IT investment projects continue to be postponed or scaled back due to the pandemic, needs for digital transformation (DX)-related IT investment are firm, as companies seek to establish new business models or innovate existing ones. At the same time, however, the impact of the COVID-19 pandemic varies greatly by corporate customer, and the ability to recover differs considerably by customers' industry type and condition.

Group business results in FY2021 were overall favorable. In net sales, the Group recorded its highest figure ever, ¥27.805 billion. Contributions from purchased subsidiaries and a solid trend in system operation management were key factors.

Earnings results were similarly encouraging, notwithstanding certain expenses. Amortization of goodwill increased ¥95 million as a result of acquisition of three subsidiaries in the previous fiscal year, and expenses were appropriated in connection with the New Normal Adaptation Project*. However, increased sales fostered increased earnings. Moreover, M&A-related expenses were considerably lower than those appropriated in the previous fiscal year. Operating income was ¥1.869 billion, ordinary income came to ¥1.922 billion and net income attributable to owners of parent reached ¥1.046 billion. EBITDA was ¥2.491 billion.

From the beginning of the consolidated fiscal year under review, the Group applies the Accounting Standard for Revenue Recognition. For details, please refer to “3. Consolidated Financial Statements and Important Notes (5) Notes on Consolidated Financial Statements (Changes in Accounting Policies).”

*A Group-internal reorganization project aimed at promoting flexible and efficient workstyles for effective coexistence with COVID-19. The project encompasses measures such as encouraging use of THE Ocean Room and THE Forest Room, free-address offices; the transfer of certain core head-office management functions to the Sanin Business Process Outsourcing Center, and an overhaul of the Group’s website from a marketing perspective.

The Group's business consists of a single segment. Business results for each service are as follows.

(Millions of ¥)

		Consolidated accounting period under review (April 1, 2021 to March 31, 2022)
System operation management	Net sales	12,201
	Gross profit	2,941
	Gross profit margin	24.1%
Software development	Net sales	10,542
	Gross profit	2,325
	Gross profit margin	22.1%
IT infrastructure*	Net sales	2,624
	Gross profit	715
	Gross profit margin	27.3%
Cybersecurity, consulting and training	Net sales	2,081
	Gross profit	563
	Gross profit margin	27.1%
Others	Net sales	355
	Gross profit	121
	Gross profit margin	34.2%
Total	Net sales	27,805
	Gross profit	6,668
	Gross profit margin	24.0%

*From the consolidated accounting period under review, the service name "system infrastructure" is changed to "IT infrastructure."

(i) System operation management

Negative impact was felt from the conclusion of infrastructure-strengthening projects with existing finance-related clients in the previous fiscal year. However, subsidiaries acquired during the previous fiscal year contributed to sales, the Group expanded orders by strengthening sales to major IT vendors, and orders expanded from existing clients in the public sector, the medical field and wholesaling. Net sales were ¥12.201 billion.

(ii) Software development

The wrap-up of some large-scale projects with existing public-sector-related customers in the previous fiscal year left a gap, while system investment by existing customers related to transportation fields declined. However, subsidiaries purchased in the previous fiscal year contributed to business results, the Group expanded orders by strengthening sales to major IT vendors, and orders expanded from existing clients in the financial and manufacturing sectors. Net sales were ¥10.542 billion.

(iii) IT infrastructure

System investment by existing shipping-related customers shrank, while existing public-sector-related customers implemented personnel reductions. On the other hand, the Group secured new projects and expanded orders with existing finance-related customers. Subsidiaries purchased in the previous fiscal year also contributed. Net sales were ¥2.624 billion.

(iv) Cybersecurity, consulting and training

Major projects in consulting were secured, the number of operators in cybersecurity increased and product sales expanded.

However, the application of the Accounting Standard for Revenue Recognition had a negative impact of ¥575 million. Net sales were ¥2.081 billion.

(v) Others

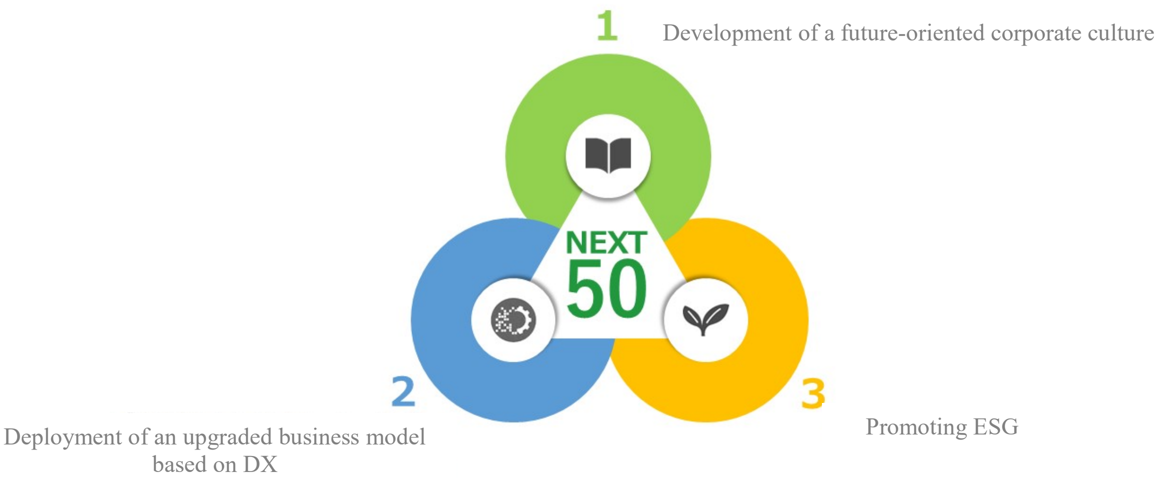
Although product orders increased, the application of the Accounting Standard for Revenue Recognition had a negative impact of ¥243 million. Net sales were ¥355 million.

Management Policy Initiatives

In today's information services industry, customers' IT needs are increasingly diversifying. DX is advancing rapidly, as companies transform existing businesses through digital technologies such as robotic process automation (RPA) and AI. Businesses are shifting from system ownership to system use, IoT devices are proliferating rapidly, and cyberattacks are becoming ever more sophisticated. These developments are driving profound changes in the IT management environment. For the ID Group, market shifts such as these represent a growth opportunity. To set the stage for further expansion in operations, the Group has established a Mid-term Management Plan, Next 50 Episode I: Awakening!, covering the period from the fiscal year ended March 31, 2020 to the fiscal year ending March 31, 2022.

The Mid-term Management Plan sets three Basic Policies: Development of a future-oriented corporate culture, deployment of an upgraded business model based on DX[1], and promoting ESG[2]. The Group worked vigorously to implement all three.

Mid-term Management Plan "Next 50 Episode I: Awakening!"
(FY2019 to FY2021)



1 Digital transformation (DX) is the transformation of existing businesses by combining existing service solutions with advanced technologies such as robotic process automation (RPA), artificial intelligence (AI) and the Internet of Things (IoT).

2 "ESG" stands for "environmental, social and governance." The ESG approach holds that an appropriate response to each of these three areas of concern is a core driver of the long-term growth of an enterprise and plays a valuable role in the formation of a sustainable society.

(i) Development of a future-oriented corporate culture

Diversity of personnel and fostering of innovation are indispensable for the sustainable growth of the ID Group. The ID Group overhauled its organization, systems and work environment, so that each individual can achieve his or her maximum potential, while hiring and training diverse individuals. We also cultivated a work environment that embraces future-oriented challenge and innovation.

Measures taken to implement this policy include the following:

・To shift to a project-based organization and enable one-stop service proposals that break down the barriers between software development and IT infrastructure, INFORMATION DEVELOPMENT CO., LTD. ("ID") folded the No. 1, No. 2 and No. 3 SIS Departments and the ITPS Department into the Global Innovation Center (GIC).

・To shift core administrative operations to regional centers and achieve further improvements in operating efficiency and risk diversification, the Group advanced New Normal Adaptation Project STEP 2, an internal reorganization project.

- The Group began application of Tottori Business Personnel Matching and Activation Support. The purpose of this move was to introduce a side-job system, with a view to upgrading employees' skills and achieving diverse workstyles.
- Aiming to build a new, subscription-based business model, the Group established a subscription-based business-model proposal system.
- To support employees in obtaining qualifications, the Group began making use of satellite offices as self-study space.
- The Group established THE Ocean Room, a free-address office environment, to establish hybrid workstyles and generate synergies by fostering communication among Group companies.
- The Group opened the President's Seminar, in which non-Japanese employees of diverse backgrounds propose business models and appropriate use of human resources* based on fresh perspectives.
- To deepen understanding of gender diversity, including LGBT, and to create an environment in which a wide range of personnel can work comfortably and effectively, the Group launched LGBT Seminars and other measures to raise employee awareness.
- Aiming to advance business innovation in management divisions and reduce SG&A costs, the Group launched "business innovation advancement tasks." Through these tasks, personnel are encouraged to uncover cross-organizational problems and recommend remedial measures.

*The ID Group believes that our employees are precious resources, not just a means to an end.

(ii) Deployment of an upgraded business model based on DX

Amid today's rapid trend toward digitalization, the ID Group's corporate clients are moving forward with the introduction and use of innovative technologies. Informed by knowledge and expertise in customer systems accumulated over many years, the ID Group offers an upgraded service model that brings added value to customer needs by combining existing service solutions with advanced technologies (RPA, AI, the cloud, cybersecurity, IoT and other digital technologies, as well as advanced management techniques such as IT service management and agile management).

To make this service model a reality, during this three-year period the ID Group invested vigorously in education, focusing squarely on engineer training. By shifting existing services to more upstream processes, the ID Group transitioned from a worker-time-based business model to a result-reward-type business model. Energized by this transition, while expanding existing businesses, the Group will continue to invest aggressively in new fields, bolstering its competitive position and enhancing profitability.

Measures taken to implement this policy include the following:

- To shorten development lead time and optimize system configuration processes, ID began system development using WebPerformer, a tool for low-code, super-high-speed application development.
- Aiming to lighten customer workload and implement advanced security measures, ID began providing the ID-Cross Managed Security Service.
- ID began offering ID-Cross Cloud Training (AWS version), a cloud engineer training program, advancing into the field of cloud engineer training.
- To respond to the diversification in customer workstyles caused by the widening adoption of remote work, ID began offering the ID-Cross PC Management Service, in which ID conducts PC operation management on behalf of customers.
- ID began operations in collaboration with SecurityScorecard, a provider of services to visualize and quantify current security countermeasures, to augment support for customer security.
- ID improved the convenience to customers of IDEye, a remote work support system, by expanding its feature set and adding support for use of the system overseas.
- ID launched a cyber-threat tracing and analysis service. The purpose of this service is to reduce customer risk from cyber-threats by examining and investigating past cyber-threats.
- As a company that has earned high regard for its support and improvement of the quality of its security services, ID obtained certification under the Information Security Service Evaluation Program, which evaluates the degree to which companies conform to the Information Security Standards of the Ministry of Economy, Trade and Industry (METI).
- ID provided IDEye to Mukibanda Yayoi Settlement Site Park, an archeological site administered by Tottori Prefecture. The system contributes to measures enabling remote observation of the archeological site, to bolster public interest in and appreciation of the site.
- Seeking further expansion in the security market, ID concluded a partnership agreement with US-based Synack, a provider of crowdsourced security services.

(iii) Promoting ESG

Through its provision of information services, the ID Group actively strives to develop solutions to society's problems while creating sustainable growth and social value. The ID Group launched the ESG Promotion Department. By strengthening the Group's efforts in each of the fields of environment, society and governance, the Department strives to ensure growth and development together with all stakeholders, including customers, shareholders and employees.

Measures taken to implement this policy include the following:

・The ID Group continued to serve as a proud sponsor of the Japan Sailing Federation's Sailing Team Japan, with the aim of giving the Japan sailing team an edge in the Tokyo Olympics.

・The ID Group established the Sustainability Committee, to accelerate efforts to grapple with issues in sustainability.

・The ID Group earned a mention in *Weekly Toyo Keizai* magazine as one of "500 companies representing Japan in the SDGs" for the Group's advancement of women in the workplace.

・INFORMATION DEVELOPMENT Wuhan CO., LTD. donated medical and emergency-relief supplies in response to flood disasters in Henan Province, China.

・The Group participated in the Task Force on Climate-related Financial Disclosures (TCFD) Consortium[1], aiming to encourage renewed awareness of the environmental impact of business activities and expand appropriate disclosure regarding climate-related financial matters.

・In Nikkei's Smart Work Management Survey and SDGs Management Survey, the Group was recognized for its appropriate use of human resources and measures to grapple with social issues, receiving a higher evaluation than in the previous fiscal year.

・To contribute to environmental conservation activities, the Group carried out volunteer cleanup activities at locations such as the Shonan coast in Japan's Kanagawa Prefecture and Moshan in China's East Lake Scenic Area.

・Reacting to a drop in blood donorship due to the COVID-19 pandemic, the ID Group conducted a twice-yearly ID Group Blood Donation Day, continuing from the previous year.

・AI FACTORY CO., LTD., a special Group subsidiary, became the first company in the City of Tottori, Tottori Prefecture, to obtain certification under the Nofuku Japan Agricultural Standards (Nofuku JAS). These standards recognize the social value of agriculture-and-social services[2] collaborative products.

・To support performers who have been restricted in their activities by the COVID-19 pandemic, the ID Group presented the Tanabata Concert and New Year Concert both at Suntory Hall.

・The Group obtained certification under the ISO 14001 environmental management system and advanced measures for the continuous achievement of environmentally friendly business activities.

・The Group took part in the Action Declaration of the Regional Revitalization Telework Promotion Project, which promotes telework in regions outside major cities using resources such as ICT and satellite offices.

・To support the securing of personnel capable of building the businesses of the future, the Group once again donated to the Tottori Prefecture Future Personnel Development Fund, as it has every year since 2015, receiving its third thank-you letter from the Fund.

・In recognition of its measures to grapple with employee health issues and COVID-19, the Group was recognized for the third consecutive year as an "Excellent Enterprise of Health and Productivity Management (White 500)."

・The Group carried out in-house fundraising activities through the United Nations Children's Fund (UNICEF) to support children in Ukraine and surrounding regions.

1 The TCFD Consortium was established as a forum for the discussion and promotion of measures by financial institutions and other companies that endorse the TCFD Declaration for effective disclosure of climate-related financial information and the application of said information in making appropriate investment decisions.

2 Agriculture-and-social-services collaboration is a series of measures aimed at enabling disabled persons and others to participate in society with confidence and motivation through activity in the agricultural sector.

(2) Summary of Financial Condition for the Period

Assets, liabilities, and net assets

Assets at the end of consolidated accounting period under review decreased by ¥557 million from the end of the previous consolidated accounting period, to ¥16.238 billion. Cash and deposits fell by ¥108 million and amortization of goodwill reduced assets by ¥444 million.

Liabilities at the end of the consolidated accounting period under review decreased by ¥595 million to ¥6.792 billion from the end of the previous consolidated accounting period. While income taxes payable increased by ¥322 million, short-term loans payable decreased by ¥960 million.

Net assets at the end of the consolidated accounting period under review increased by ¥38 million to ¥9.446 billion from the end of the previous consolidated accounting period. Although year-end and interim dividend payments decreased by ¥643 million and acquisition of treasury stock reduced net assets by ¥504 million, net income attributable to owners of parent increased by ¥1.046 billion.

(3) Summary of Cash Flow for the Period

Cash flows from operating activities	¥1.842 billion (+¥2.450 billion YoY)
Cash flows from investment activities	–¥9 million (+¥602 million YoY)
Cash flows from financing activities	–¥1.889 billion (–¥3.379 billion YoY)
Cash and cash equivalents at end of period	¥4.713 billion (+¥42 million YoY)

Cash flows from operating activities were ¥1.842 billion, as net income before income taxes was ¥1.936 billion, corporation tax, etc. paid was ¥545 million, and amortization of goodwill was ¥444 million.

Cash flows from investment activities were –¥9 million, as proceeds from withdrawal of time deposits were ¥187 million, purchase of property, plant and equipment was ¥123 million and purchase of investment securities was ¥46 million.

Cash flows from financing activities were –¥1.889 billion, as repayment of long-term loans payable was ¥543 million, purchase of treasury stock was ¥523 million and cash dividends paid was ¥642 million.

Thus, cash and cash equivalents at the end of the period rose to ¥4.713 billion, which is a ¥42 million increase over the previous consolidated accounting period.

Reference: Cash flow benchmarks

	FY2017	FY2018	FY2019	FY2020	FY2021
Equity ratio (%)*	55.2	56.9	57.0	55.7	57.9
Equity ratio (%) at fair value	124.1	105.5	102.3	86.7	86.4
Ratio of cash flow to interest-bearing debt (annual)	1.9	2.6	0.3	–5.7	1.5
Interest coverage ratio (multiple)	159.2	63.7	263.0	–33.6	96.1

*Equity ratio: Shareholder equity / total assets

Equity ratio at fair value: Market capitalization / total assets

Ratio of cash flow to interest-bearing debt: Interest-bearing debt / cash flow

Interest coverage ratio: Cash flow / interest payments

1. These benchmarks were calculated based on consolidated financial figures.
2. Market capitalization was calculated based on the closing share price at the end of the period multiplied by the number of shares outstanding (after deducting treasury stock).
3. To determine cash flow, the cash flows from operating activities stated in the Consolidated Cash Flow Statement were used. All debts stated in the consolidated balance sheet on which interest payments are being made are included in the interest-bearing debt. The interest expenses paid stated in the Consolidated Cash Flow Statement were used regarding interest payments.

(4) Basic Policy on Profit Distributions and Dividends for the Current Period and the Next Period

(i) Basic policy on profit distributions

The Group considers the return of profits to shareholders to be one of its chief management priorities. It is making every effort to secure a strong business foundation and improve stable revenues and return on equity. The Group’s basic policy is to maintain appropriate distributions of profits based on the business results.

(ii) Dividends for the current period

The Group forecasts a year-end dividend for the period under review of ¥20 per share. When combined with the interim dividend of ¥20 per share already distributed, the total dividend per share in the period under review is forecast to be ¥40 per share.

The Group will deploy its internal reserves to expand operations and boost business results. Initiatives include training the engineers the Group needs to deliver value-added IT solutions related to DX; formation of services using new technologies such as Cloud, AI, and IoT; acquisition of new products; and investing in promoting the Group’s global strategy, embracing not only China but also Singapore and Myanmar as well as North America and Europe.

(iii) Dividends for the next period

Guided by the basic policy described above, in the next fiscal period the Group plans to distribute an interim dividend of ¥20 per share and a year-end dividend of ¥20 per share, for a total annual dividend of ¥40 per share, as it will for the fiscal year ended March 31, 2022.

(5) Forecast

Prospects for the Japanese economy are improving but fragile. As vaccination against COVID-19 progresses, economic activity levels can be expected to recover. However, the path forward remains unclear, as the prospect of new waves of infections sparked by new variants of the coronavirus, accelerating inflation caused by rapidly rising energy costs and the depreciation of the yen cause concern.

The information service industry, of which the Group is a part, stands overall on a recovery footing. Although some IT investment projects are being scaled back or delayed due to the COVID-19 pandemic, needs for DX-related IT investment are firm, as companies seek to establish new business models or innovate existing ones. However, the impact of COVID-19 varies widely from one corporate customer to another, and ability to recover differs considerably by type of business and various circumstances.

Against this background, the Group has drawn up Next 50 Episode II: Ride on Time, a Mid-Term Management Plan covering the three-year period beginning in FY2022.

In the previous Mid-Term Management Plan, the Group laid the foundations for future growth. As measures to fulfill its policy of upgrading services using digital technologies, the Group developed a corps of engineers thoroughly versed in digital technology and enhanced its services in each of the fields of development, operations and IT infrastructure.

The new Mid-Term Management Plan will build on the foundations laid in the previous one. In the DX field, the Group will identify technological fields for which customer demand is strong, collaborate with partner companies to strengthen support for DX advancement in corporate customers, and develop the high-level engineers and planning-and-proposal personnel needed to support the above efforts. In the fields of cloud services and cybersecurity, which are expected to enjoy strong growth going forward, the Group will strive to develop original solutions.

(For details on the above, please refer to the Notice of Formulation of the Mid-Term Management Plan (FY2022 – FY2024), released today.)

In view of the above, the Group’s forecast of consolidated business results for FY2022 calls for net sales of ¥29.0 billion (+4.3% over the previous fiscal year (YoY)), operating income of ¥1.950 billion (+4.3% YoY), ordinary income of ¥2.0 billion (+ 4.0% YoY) and net income attributable to owners of parent of ¥1.1 billion (+ 5.1% YoY).

The above forecast of business results was prepared based on information available at the time of publication. Actual business results may differ from those forecast due to various factors.

2. Basic Approach to the Selection of Accounting Standards

The ID Group is currently basing its accounting policies on consolidated financial statements prepared according to Japanese accounting standards, in light of the ability to compare periods and companies on the consolidated financial statements.

The ID Group will comply appropriately with the IFRS standards considering domestic and international conditions.

3. Consolidated Financial Statements and Important Notes

(1) Consolidated Balance Sheet

(Thousands of ¥)

	Previous consolidated accounting period As of March 31, 2021	Consolidated accounting period under review As of March 31, 2022
Assets		
Current assets		
Cash and deposits	5,016,411	4,908,300
Notes and accounts receivable–trade	4,823,774	—
Notes receivable–trade	—	2,200
Accounts receivable–trade	—	4,503,942
Contract assets	—	419,034
Work in process	47,227	18,010
Accounts receivable–other	389,611	297,217
Other	250,064	233,028
Allowance for doubtful accounts	–40,068	–40,068
Total current assets	10,487,021	10,341,666
Non-current assets		
Property, plant and equipment		
Buildings and structures	1,486,651	1,527,116
Accumulated depreciation	–639,971	–687,785
Buildings and structures (net)	846,680	839,331
Motor vehicles and transport equipment	19,136	16,616
Accumulated depreciation	–9,391	–10,678
Motor vehicles and transport equipment (net)	9,745	5,938
Machines and equipment	16,869	15,720
Accumulated depreciation	–15,728	–15,720
Machines and equipment (net)	1,141	—
Tools, appliances, and accessories	562,501	566,030
Accumulated depreciation	–420,369	–429,936
Tools, appliances, and accessories (net)	142,132	136,093
Land	438,048	411,148
Construction in progress	—	5,939
Total property, plant and equipment	1,437,746	1,398,451
Intangible assets		
Goodwill	2,193,073	1,748,603
Software	114,106	105,729
Other	823	6,194
Total intangible assets	2,308,003	1,860,527
Investments and other assets		
Investment securities	1,441,241	1,515,460
Deferred tax assets	542,039	526,419
Guarantee deposits	301,655	308,601
Other	286,159	295,259
Allowance for doubtful accounts	–7,500	–7,500
Total investments and other assets	2,563,596	2,638,241
Total non-current assets	6,309,345	5,897,220
Total assets	16,796,366	16,238,886

(Thousands of ¥)

	Previous consolidated accounting period As of March 31, 2021	Consolidated accounting period under review As of March 31, 2022
Liabilities		
Current liabilities		
Accounts payable–trade	904,237	945,314
Contract liabilities	—	47,510
Short-term loans payable	2,520,000	1,560,000
Current portion of long-term loans payable	493,733	432,933
Income taxes payable	324,581	647,216
Provision for bonuses	795,940	827,876
Provision for directors' bonuses	18,272	13,324
Other	1,179,380	1,021,163
Total current liabilities	6,236,145	5,495,341
Non-current liabilities		
Bonds payable	26,000	—
Long-term loans payable	408,033	725,100
Deferred tax liabilities	228,840	234,376
Provision for directors' retirement benefits	125,502	25,332
Net retirement benefit liability	142,915	51,832
Other	220,901	260,686
Total non-current liabilities	1,152,193	1,297,328
Total liabilities	7,388,338	6,792,669
Net assets		
Shareholders' equity		
Capital stock	592,344	592,344
Capital surplus	734,925	733,644
Retained earnings	7,680,821	8,096,543
Treasury stock	–313,516	–817,549
Total shareholders' equity	8,694,574	8,604,982
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	543,118	567,216
Foreign currency translation adjustment	120,224	224,026
Remeasurements of retirement benefit plans	3,520	4,477
Total accumulated other comprehensive income	666,863	795,720
Subscription rights to shares	6,746	—
Non-controlling interests	39,843	45,514
Total net assets	9,408,028	9,446,217
Total liabilities and net assets	16,796,366	16,238,886

(2) Consolidated Statement of Income and Comprehensive Income

(Consolidated Statement of Income)

(Thousands of ¥)

	Previous consolidated accounting period (April 1, 2020 to March 31, 2021)	Consolidated accounting period under review (April 1, 2021 to March 31, 2022)
Net sales	25,766,736	27,805,949
Cost of sales	19,386,301	21,137,612
Gross profit	6,380,434	6,668,337
Selling, general, and administrative expenses		
Directors’ compensation	300,052	329,669
Salary allowances and bonuses	1,890,798	1,700,910
Provision for bonuses	172,725	123,741
Provision for directors’ bonuses	19,940	16,100
Retirement benefit expenses	75,574	61,954
Provision for directors’ retirement benefits	1,270	5,804
Statutory welfare expenses	431,993	410,559
Land rent	265,960	314,677
Depreciation	128,026	154,373
Amortization of goodwill	348,544	444,469
Other	1,372,663	1,237,021
Total selling, general, and administrative expenses	5,007,549	4,799,282
Operating income	1,372,884	1,869,054
Non-operating income		
Interest income	3,420	2,553
Dividend income	21,231	21,910
Insurance proceeds and dividends	50,866	－
Subsidy income	79,621	11,256
Foreign exchange gains	－	1,313
Other	70,924	59,874
Total non-operating income	226,063	96,908
Non-operating expenses		
Interest expenses	18,061	19,177
Commitment line fees	17,855	19,322
Foreign exchange loss	2,368	－
Other	7,115	4,755
Total non-operating expenses	45,401	43,255
Ordinary income	1,553,546	1,922,707

(Thousands of ¥)

	Previous consolidated accounting period (April 1, 2020 to March 31, 2021)	Consolidated accounting period under review (April 1, 2021 to March 31, 2022)
Extraordinary income		
Gain on sales of non-current assets	1,432	1,018
Gain on sales of investment securities	316,454	27,258
Gain on reversal of subscription rights to shares	—	4,036
Total extraordinary income	317,886	32,313
Extraordinary losses		
Loss on sales of non-current assets	439,878	104
Loss on retirement of non-current assets	6,810	2,396
Office relocation expenses	—	15,755
Other	23,724	—
Total extraordinary losses	470,413	18,256
Net income before income taxes	1,401,020	1,936,764
Income taxes–current	435,146	878,693
Income taxes–deferred	207,077	2,733
Total income taxes	642,223	881,426
Net income	758,796	1,055,338
Net income attributable to non-controlling interests	11,031	8,998
Net income attributable to owners of parent	747,765	1,046,340

(Consolidated Statement of Comprehensive Income)

(Thousands of ¥)

	Previous consolidated accounting period (April 1, 2020 to March 31, 2021)	Consolidated accounting period under review (April 1, 2021 to March 31, 2022)
Net income	758,796	1,055,338
Other comprehensive income		
Valuation difference on available-for-sale securities	147,638	24,098
Foreign currency translation adjustment	46,029	103,801
Remeasurements of retirement benefit plans	2,523	956
Total other comprehensive income	196,191	128,857
Comprehensive income	954,988	1,184,195
(Breakdown)		
Comprehensive income attributable to owners of parent	943,957	1,175,197
Comprehensive income attributable to non-controlling interests	11,031	8,998

(3) Consolidated Statement of Changes in Shareholders' Equity

Previous consolidated accounting period (April 1, 2020 to March 31, 2021)

(Thousands of ¥)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balances at the beginning of the period	592,344	567,587	7,502,863	−443,682	8,219,113
Cumulative effects of changes in accounting policies					—
Restated balance	592,344	567,587	7,502,863	−443,682	8,219,113
Changes during the period					
Dividends from surplus			−571,812		−571,812
Net income attributable to owners of parent			747,765		747,765
Acquisition of treasury stock				−900	−900
Disposition of treasury stock		−1,104		27,532	26,428
Increase by share exchanges		168,442		103,533	271,975
Other			2,004		2,004
Net changes of items other than shareholders' equity					
Total changes during the period	—	167,338	177,957	130,165	475,461
Balances at the end of the period	592,344	734,925	7,680,821	−313,516	8,694,574

	Accumulated other comprehensive income				Subscription rights to shares	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of retirement benefit plans	Total accumulated other comprehensive income			
Balances at the beginning of the period	395,479	74,194	997	470,671	8,937	31,820	8,730,542
Cumulative effects of changes in accounting policies							—
Restated balance	395,479	74,194	997	470,671	8,937	31,820	8,730,542
Changes during the period							
Dividends from surplus							−571,812
Net income attributable to owners of parent							747,765
Acquisition of treasury stock							−900
Disposition of treasury stock							26,428
Increase by share exchanges							271,975
Other							2,004
Net changes of items other than shareholders' equity	147,638	46,029	2,523	196,191	−2,191	8,023	202,024
Total changes during the period	147,638	46,029	2,523	196,191	−2,191	8,023	677,485
Balances at the end of the period	543,118	120,224	3,520	666,863	6,746	39,843	9,408,028

Consolidated accounting period under review (April 1, 2021 to March 31, 2022)

(Thousands of ¥)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balances at the beginning of the period	592,344	734,925	7,680,821	−313,516	8,694,574
Cumulative effects of changes in accounting policies			12,466		12,466
Restated balance	592,344	734,925	7,693,288	−313,516	8,707,041
Changes during the period					
Dividends from surplus			−643,085		−643,085
Net income attributable to owners of parent			1,046,340		1,046,340
Acquisition of treasury stock				−523,085	−523,085
Disposition of treasury stock		−1,280		19,052	17,771
Increase by share exchanges					—
Other					—
Net changes of items other than shareholders' equity					
Total changes during the period	—	−1,280	403,254	−504,033	−102,058
Balances at the end of the period	592,344	733,644	8,096,543	−817,549	8,604,982

	Accumulated other comprehensive income				Subscription rights to shares	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of retirement benefit plans	Total accumulated other comprehensive income			
Balances at the beginning of the period	543,118	120,224	3,520	666,863	6,746	39,843	9,408,028
Cumulative effects of changes in accounting policies							12,466
Restated balance	543,118	120,224	3,520	666,863	6,746	39,843	9,420,495
Changes during the period							
Dividends from surplus							−643,085
Net income attributable to owners of parent							1,046,340
Acquisition of treasury stock							−523,085
Disposition of treasury stock							17,771
Increase by share exchanges							—
Other							—
Net changes of items other than shareholders' equity	24,098	103,801	956	128,857	−6,746	5,670	127,780
Total changes during the period	24,098	103,801	956	128,857	−6,746	5,670	25,722
Balances at the end of the period	567,216	224,026	4,477	795,720	—	45,514	9,446,217

(4) Consolidated Cash Flow Statement

(Thousands of ¥)

	Previous consolidated accounting period (April 1, 2020 to March 31, 2021)	Consolidated accounting period under review (April 1, 2021 to March 31, 2022)
Cash flows from operating activities		
Net income before income taxes	1,401,020	1,936,764
Depreciation	156,061	178,208
Amortization of goodwill	348,544	444,469
Gain on reversal of subscription rights to shares	—	–4,036
Loss on retirement of non-current assets	6,810	2,396
Loss (gain) on sales of non-current assets	438,446	–914
Office relocation expenses	—	15,755
Loss (gain) on sales of investment securities	–316,434	–27,258
Increase (decrease) in provision for bonuses	–348,205	31,936
Increase (decrease) in provision for directors' bonuses	–12,053	–4,947
Increase (decrease) in net defined benefit liability	–33,568	–89,619
Increase (decrease) in provision for directors' retirement benefits	4,088	–100,170
Interest income and dividend income	–24,651	–24,463
Interest expenses	18,061	19,177
Foreign exchange losses (gains)	–50	–8,633
Other extraordinary loss (income)	23,704	—
Decrease (increase) in notes and accounts receivable–trade	102,170	116,456
Decrease (increase) in inventories	48,735	25,457
Increase (decrease) in notes and accounts payable–trade	–180,307	57,840
Increase (decrease) in amounts payable–other	–415,603	32,172
Increase (decrease) in accrued consumption tax, etc.	–1,133,676	–25,944
Decrease (increase) of other current assets	435,464	–132,080
Increase (decrease) in other current liabilities	–113,390	–111,101
Decrease (increase) in other non-current assets	–16,599	–7,599
Increase (decrease) in other non-current liabilities	16,357	45,096
Other	–7,968	29,644
Subtotal	396,954	2,398,607
Interest and dividend income received	26,665	24,465
Interest expenses paid	–18,061	–19,177
Office relocation expenses paid	—	–15,755
Corporation tax, etc. paid	–1,012,947	–545,450
Net cash provided by (used in) operating activities	–607,388	1,842,689
Cash flows from investment activities		
Payments into time deposits	–76,722	–26,402
Proceeds from withdrawal of time deposits	187,017	187,513
Purchase of property, plant and equipment	–133,364	–123,736
Proceeds from sales of property, plant and equipment	196,774	27,918
Purchase of intangible assets	–55,648	–37,068
Purchase of investment securities	–31,192	–46,727
Proceeds from sales of investment securities	324,317	35,116
Purchase of investments in subsidiaries resulting in change in scope of consolidation	–1,049,184	—
Collection of long-term loans receivable	333	263
Other	25,597	–26,281
Net cash provided by (used in) investing activities	–612,071	–9,403

(Thousands of ¥)

	Previous consolidated accounting period (April 1, 2020 to March 31, 2021)	Consolidated accounting period under review (April 1, 2021 to March 31, 2022)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	2,083,334	–960,000
Proceeds from long-term loans payable	700,000	800,000
Repayment of long-term loans payable	–595,317	–543,733
Redemption of bonds	–140,000	–26,000
Purchase of treasury stock	–900	–523,085
Proceeds from sales of treasury stock	24,237	15,061
Cash dividends paid	–569,950	–642,753
Cash dividends paid to non-controlling interests	–3,008	–3,328
Other	–7,883	–5,261
Net cash provided by (used in) financing activities	1,490,511	–1,889,099
Effect of exchange rate changes on cash and cash equivalents	33,025	97,959
Net increase (decrease) in cash and cash equivalents	304,076	42,146
Cash and cash equivalents at beginning of period	4,367,141	4,671,217
Cash and cash equivalents at end of period	4,671,217	4,713,364

(5) Notes on Consolidated Financial Statements

(Notes on Assumptions Regarding Going Concern)

None.

(Notes on Significant Changes (If Any) in Shareholders' Equity)

Based on a resolution of its Board of Directors on December 27, 2021, ID Holdings acquired 605,600 treasury shares. By means of this acquisition of treasury stock, ID Holdings increased the value of its treasury stock by ¥504,033,000 in the consolidated fiscal year under review. The value of treasury stock at the end of the consolidated fiscal year under review was ¥817,549,000.

(Changes in Accounting Policies)

(Application of the Accounting Standard for Revenue Recognition and related matters)

From the start of the consolidated fiscal year under review, the Group applies the Accounting Standard for Revenue Recognition (Accounting Standards Board of Japan (ASBJ) Statement No. 29, March 31, 2020) of the Japanese generally accepted accounting principles (J-GAAP) (hereinafter "the Accounting Standard for Revenue Recognition"). Under this standard, once control of a promised good or service is transferred to the customer, the Group recognizes revenue at the amount that the Group expects to receive in exchange for the good or service.

By the application of this standard, some revenue from software development and the like that had previously been recognized upon completion of receiving inspection is changed to be recognized over a certain period.

In the past, in the case of sales of certain cybersecurity and other products, the amount recognized as revenue was the total amount of the consideration received from the customer. Under the Accounting Standard for Revenue Recognition, if the transaction is one in which the Group plays the role of an agent in providing a good or service to the customer, the amount recognized as revenue is the total amount of the consideration received from the customer minus the amount paid to the supplier.

In applying the Accounting Standard for Revenue Recognition, the Group follows the transitional handling stipulated in the proviso in Paragraph 84 of the Accounting Standard for Revenue Recognition. The cumulative financial effect of applying the new accounting policy retroactively to events before the beginning of the consolidated fiscal year under review is added to or subtracted from the retained earnings at the beginning of the consolidated fiscal year under review, and the new accounting policy is applied from the balance at the beginning of the consolidated fiscal year under review onward.

However, the method stipulated in Paragraph 86 of the Accounting Standard for Revenue Recognition is also applied. The new accounting policy is not applied retroactively to contracts in which most revenue is recognized in accordance with the handling before the beginning of the consolidated fiscal year under review. In addition, the method stipulated in the proviso (1) in Paragraph 86 of the Accounting Standard for Revenue Recognition is applied. With respect to contract changes conducted before the beginning of the consolidated fiscal year under review, accounting is conducted based on the contract terms after all of the contract changes are reflected, and the cumulative financial effect is added to or subtracted from the retained earnings at the beginning of the consolidated fiscal year under review.

As a result, net sales in the consolidated fiscal year under review is reduced by ¥871,253,000; cost of sales is reduced by ¥852,530,000; gross profit, operating income, ordinary income and net income before income taxes are all reduced by ¥18,722,000; and income taxes–deferred are reduced by ¥6,255,000. The result of these reductions is that net income is reduced by ¥12,466,000. Moreover, the balance of retained earnings at the beginning of the current fiscal year is increased by ¥12,466,000.

Because the Accounting Standard for Revenue Recognition is applied, the item "Notes and accounts receivable–trade" listed under "Current Assets" in the consolidated balance sheet for the previous consolidated fiscal year is included in "Notes receivable–trade," "Accounts receivable–trade" and "Contract assets" from the consolidated fiscal year under review onward. Also, the item "Other" listed under "Current liabilities" in the consolidated balance sheet for the previous consolidated fiscal year is included in "Contract liabilities" and "Other" from the consolidated fiscal year under review onward.

In accordance with the stipulation on transitional handling in Paragraph 89-2 of the Accounting Standard for Revenue Recognition, accounting items are not reorganized for the previous consolidated fiscal year as a result in the new method of representation.

(Application of the Accounting Standard for Fair Value Measurement)

The Accounting Standard for Fair Value Measurement (Accounting Standards Board of Japan (ASBJ) Statement No. 30, July 4, 2019) of the Japanese generally accepted accounting principles (J-GAAP) (hereinafter "the Accounting Standard for Fair Value Measurement") is applied from the beginning of the consolidated fiscal year under review. In accordance with the stipulations on transitional handling in Paragraph 19 of the Accounting Standard for Fair Value Measurement and Paragraph 44-2 of the Accounting Standard for Financial Instruments (Accounting Standards Board of Japan (ASBJ) Statement No. 10, July 4, 2019), the new accounting policy stipulated in the Accounting Standard for Fair Value Measurement, etc. will be applied in the future. This application has no effect on the consolidated financial statements.

(Additional Information)

(Estimation of accounts in view of the COVID-19 pandemic)

The Group calculates the estimates in its accounts of amounts of recoverable deferred tax assets based on information available at the time of preparation of the consolidated financial statements.

It is impossible to predict with any accuracy when the COVID-19 pandemic will end. However, its impact on Group operations during the consolidated accounting period under review was limited. For this reason, the estimates of accounts are based on the assumption that the impact of the pandemic will be limited in the future as well.

If changes occur in the economic environment as a result of the COVID-19 pandemic, those changes may impact the financial condition and business results of the Group as well.

(Trades involving the delivery of Company shares to employees, etc. through a trust)

The ID Group introduced two performance pay plans: a “board benefit trust (BBT) plan” for Group directors and executive officers (“Directors, etc.”), and a “Japanese employee stock ownership plan (J-ESOP)” for Group employees. The former is designed to encourage Directors, etc. to contribute to better mid- to long-term results and greater corporate value, and the latter is designed to motivate employees to increase the share price and improve results.

(1) How the Plans Work

At a meeting held on April 30, 2015, the Board of Directors approved the BBT for Directors, etc. as a way to provide directors’ compensation. The BBT is a performance pay plan under which Company shares are acquired through a trust using money contributed by the ID Group, and those Company shares are then awarded to Directors, etc. through the trust based on their job performance, etc. as stipulated by the Officer Stock Benefit Rules established by the ID Group. Directors, etc. are generally eligible to receive the award of Company shares when they retire.

Under the J-ESOP, the ID Group awards shares to employees who satisfy certain conditions as stipulated under the Stock Benefit Rules previously established by the ID Group.

The ID Group awards points to the employees based on their years of service or promotions, and issues Company shares to the employees commensurate with the points that the employees have been awarded. The shares to be awarded to the employees in the future are acquired through a previously established trust, and those shares are segregated and managed as trust property.

(2) Notes on the ID Group shares held in trust

Shares in the ID Group held by BBT and J-ESOP at the end of the consolidated fiscal period under review are listed in the consolidated balance sheet under “Net Assets” as “Treasury Stock.” The book value of these shares was ¥135,344,000 at the end of the previous consolidated fiscal period and was ¥133,298,000 at the end of the consolidated fiscal period under review. The number of shares was 246,990 at the end of the previous consolidated fiscal period and was 365,197 at the end of the consolidated fiscal period under review.

On July 1, 2021, the Group executed a share split at a ratio of 1.5 new shares per previous common share. Reflecting the impact of this share split, the figure for the previous consolidated fiscal period is based on 370,485 shares.

(Segment Information, etc.)

[Segment Information]

The Group has only one segment, "information service business." Accordingly, this item is omitted.

[Related Information]

Previous consolidated accounting period (April 1, 2020 to March 31, 2021)

1. Information by Product and Service

The Group has only one segment, "information service business." Accordingly, this item is omitted.

2. Information by Region

(1) Net sales

Omitted. Net sales to external clients in Japan make up more than 90% of the net sales reported in the consolidated statement of income.

(2) Property, plant and equipment

Omitted. The amount of property, plant and equipment located in Japan makes up more than 90% of the amount of the property, plant and equipment reported in the consolidated balance sheet.

3. Information by Major Client

(Thousands of ¥)

Client designation or name	Net sales	Related segment name
IBM Japan, Ltd.	2,679,823	—
Mizuho Information & Research Institute, Inc.	2,587,200	—

Notes: 1. The Group has only one segment, so the related segment name is omitted.

2. On April 1, 2021, Mizuho Information & Research Institute, Inc. merged with Mizuho Research Institute Ltd., changing its name to Mizuho Research & Technologies, Ltd.

Consolidated accounting period under review (April 1, 2021 to March 31, 2022)

1. Information by Product and Service

The Group has only one segment, "information service business." Accordingly, this item is omitted.

2. Information by Region

(1) Net sales

Omitted. Net sales to external clients in Japan make up more than 90% of the net sales reported in the consolidated statement of income.

(2) Property, plant and equipment

Omitted. The amount of property, plant and equipment located in Japan makes up more than 90% of the amount of the property, plant and equipment reported in the consolidated balance sheet.

3. Information by Major Client

In net sales to external clients, no individual client accounts for 10% or more of net sales as reported in the consolidated statement of income, so this item is omitted.

[Information on Non-current Asset Impairment Losses by Reporting Segment]

None.

[Information on Depreciated Amount of Goodwill and Undepreciated Balances for Each Reporting Segment]

The Group has only one segment, "information service business." Accordingly, this item is omitted.

[Information on Gain on Bargain Purchase by Reporting Segment]

None.

(Per-Share Information)

	Previous consolidated accounting period (April 1, 2020 to March 31, 2021)	Consolidated accounting period under review (April 1, 2021 to March 31, 2022)
Book value per share	¥546.16	¥566.65
Net income per share	¥44.37	¥61.61
Diluted net income per share	¥44.07	¥61.50

Notes: 1. On July 1, 2021, the Group executed a share split at a ratio of 1.5 new shares per previous common share. The figures for book value per share, net income per share and diluted net income per share are calculated as if this share split had occurred at the beginning of the previous consolidated fiscal year.

2. The number of Company shares held by Custody Bank of Japan, Ltd. (Trust Account E) as the trust property regarding the board benefit trust (BBT) and Japanese employee stock ownership plan (J-ESOP) is included in the number of common shares that were treasury stock at the end of the period for calculating the book value per share, and is included in the treasury stock to be deducted in the calculation of the interim average number of shares for calculating the net income per share and the diluted net income per share. The trust account held 370,485 shares at the end of the previous consolidated accounting period, and 365,197 shares at the end of the current consolidated accounting period. The interim average number of shares was 393,054 shares in the previous consolidated accounting period, and 367,282 shares for the current consolidated accounting period.

3. The basis for calculating the net income per share and the diluted net income per share is stated below.

	Previous consolidated accounting period (April 1, 2020 to March 31, 2021)	Consolidated accounting period under review (April 1, 2021 to March 31, 2022)
Net income per share		
Net income attributable to owners of parent	¥747,765,000	¥1,046,340,000
Amounts not attributable to common shareholders	—	—
Net income attributable to owners of parent regarding common stock	¥747,765,000	¥1,046,340,000
Interim average number of shares	Common stock: 16,851,517 shares	Common stock: 16,983,271 shares
Diluted net income per share		
Adjusted net income attributable to owners of parent	—	—
Increase in common stock	116,791 shares	29,410 shares
(portion of these shares that are stock options deriving from the subscription-rights-to-shares method)	(116,791 shares)	(29,410 shares)
Summary of residual securities excluded from the calculation of the diluted net income per share because there was no dilutive effect	—	—

4. The number of Company shares held by Custody Bank of Japan, Ltd. (Trust Account E) as the trust property regarding the board benefit trust (BBT) and Japanese employee stock ownership plan (J-ESOP) is included in the number of common shares that were interim average treasury stock for calculating the net income per share and the diluted net income per share.

(Material Subsequent Events)

None.