



Summary of Financial Statements for the First Quarter of the Fiscal Year Ending December 31, 2021 [IFRS] (Consolidated)

May 6, 2021

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Quarterly statements filing date (as planned): May 14, 2021
 Scheduled date to commence dividend payments: —
 Supplemental material created for quarterly results: Yes
 Briefing held for quarterly results: No

(Figures less than one million yen are rounded)

1. Consolidated Financial Results for the First Quarter of Fiscal Year 2021 (From January 1, 2021 to March 31, 2021)

a. Consolidated Financial Results (Cumulative) (% indicates change from the corresponding quarter of the previous year)

	Revenue		Operating profit		Profit before tax		Profit for the period		Profit attributable to owners of the Company		Total comprehensive income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY2021 Q1	123,896	38.4	5,206	111.0	5,464	277.3	3,123	216.5	2,767	229.1	7,519	—
FY2020 Q1	89,542	3.6	2,467	(0.4)	1,448	8.2	986	57.2	841	84.5	(3,182)	—

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
FY2021 Q1	21.97	21.97
FY2020 Q1	6.68	6.68

(Notes) As the provisional accounting process related to business combination was finalized in FY2020 Q2 and Q4, the condensed consolidated financial statements for FY2020 Q1 were retrospectively adjusted.

b. Consolidated Financial Positions

	Total assets	Total equity	Equity attributable to owners of the Company	Ratio of equity attributable to owners of the Company to total assets	Equity attributable to owners of the Company per share
	Million yen	Million yen	Million yen	%	Yen
FY2021 Q1	332,905	74,363	69,320	20.8	550.55
FY2020	302,873	68,200	62,977	20.8	500.18

2. Dividends

	Annual cash dividends per share				
	Q1	Q2	Q3	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
FY2020	—	0.00	—	10.00	10.00
FY2021	—	—	—	—	—
FY2021 (Forecast)	—	0.00	—	31.00	31.00

(Notes) Correction of dividend forecast from the most recent dividend forecast: No

3. Forecast of Consolidated Financial Results for Fiscal Year 2021 (From January 1, 2021 to December 31, 2021)

(% indicates change from the corresponding period of the previous fiscal year)

	Revenue		Operating profit		Profit before tax		Profit for the year		Profit attributable to owners of the Company		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Half-year	240,000	39.0	7,900	142.8	6,950	248.2	4,200	454.5	3,500	461.2	27.79
Full-year	528,000	44.0	25,100	75.1	21,400	134.1	14,200	247.4	12,800	285.0	101.66

(Notes) Correction of financial forecast from the most recent financial forecast: No

(Notes)

(1) Significant changes in subsidiaries during this period (changes in specified subsidiaries that cause changes in the scope of consolidation): No

(2) Changes in accounting policies and accounting estimates

(a) Changes in accounting policies required by IFRS: No

(b) Changes in accounting policies other than IFRS requirements: No

(c) Changes in accounting estimates: No

(3) Number of issued shares (common stock)

(a) Number of issued shares at the end of period
(including treasury stock)

(b) Number of treasury stock at the end of period

(c) Average number of issued shares (cumulative up
through the period)

FY2021 Q1	125,909,300	FY2020	125,909,300
FY2021 Q1	490	FY2020	490
FY2021 Q1	125,908,810	FY2020 Q1	125,814,111

(Notes)

* This summary of quarterly financial statements is not subject to quarterly review by certified public accountants or an auditing firm.

* Statement regarding the proper use of financial forecasts and other special remarks

(Caution concerning forward-looking statements)

The forward-looking statements including financial forecasts in this summary are based on the information currently available to the Company and on assumptions believed to be reasonable by the management of the Company. These statements do not guarantee future performance of the Company, and various factors may cause the actual results to differ significantly from the forecasts.

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II. Condensed Consolidated Financial Statements

(1) Condensed Financial Statement of Financial Position

(Millions of yen)

	December 31, 2020	March 31, 2021
Assets		
Current assets		
Cash and cash equivalents	81,720	45,855
Trade and other receivables	56,195	83,183
Inventories	1,750	1,799
Other financial assets	11,076	11,639
Other current assets	10,026	12,290
Total current assets	160,767	154,766
Non-current assets		
Property, plant, and equipment	10,815	12,189
Right-of-use assets	17,492	18,186
Goodwill	63,394	98,140
Intangible assets	20,743	21,299
Investments accounted for using equity method	2,231	238
Other financial assets	18,797	19,782
Other non-current assets	3,747	2,779
Deferred tax assets	4,887	5,526
Total non-current assets	142,106	178,139
Total assets	302,873	332,905

(Millions of yen)

	December 31, 2020	March 31, 2021
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	41,308	53,657
Bonds and borrowings	68,050	67,973
Lease liabilities	16,791	17,421
Other financial liabilities	4,607	4,613
Income taxes payable	4,360	3,162
Other current liabilities	16,832	19,986
Total current liabilities	151,948	166,812
Non-current liabilities		
Bonds and borrowings	43,213	52,476
Lease liabilities	20,556	21,883
Other financial liabilities	5,530	4,970
Retirement benefit obligation	5,403	4,143
Provisions	1,113	1,237
Other non-current liabilities	581	613
Deferred tax liabilities	6,329	6,408
Total non-current liabilities	82,725	91,730
Total liabilities	234,673	258,542
Equity		
Issued capital	25,214	25,214
Capital surplus	26,647	26,647
Treasury shares	(0)	(0)
Other capital surplus	(13,456)	(12,908)
Other components of equity	(1,205)	2,743
Retained earnings	25,777	27,624
Total equity attributable to owners of the Company	62,977	69,320
Non-controlling interests	5,223	5,043
Total equity	68,200	74,363
Total liabilities and equity	302,873	332,905

(2) Condensed Consolidated Financial Statement of Profit or Loss

(Millions of yen)

	First Quarter of Fiscal Year 2020 (From January 1, 2020 to March 31, 2020)	First Quarter of Fiscal Year 2021 (From January 1, 2021 to March 31, 2021)
Revenue	89,542	123,896
Cost of sales	(72,438)	(100,413)
Gross profit	17,104	23,483
Selling, general and administrative expenses	(15,521)	(19,971)
Other operating income	1,072	1,835
Other operating expenses	(188)	(141)
Operating profit	2,467	5,206
Finance income	684	1,563
Finance costs	(1,734)	(1,356)
Share of profit (loss) of investments accounted for using the equity method	31	51
Profit before tax	1,448	5,464
Income tax expense	(462)	(2,341)
Profit for the period	986	3,123
Profit attributable to:		
Owners of the Company	841	2,767
Non-controlling interests	145	356
Profit for the period	986	3,123
Earnings per share		
Basic earnings per share (Yen)	6.68	21.97
Diluted earnings per share (Yen)	6.68	21.97

(3) Notes to condensed consolidated financial statements

(Segment Information) Segment Revenues and Results

Revenues and results by reportable segments are as noted below. Segment profit figures are based on operating profits.

First Quarter of Fiscal Year 2020 (From January 1, 2020 to March 31, 2020)

	Reportable segment						Other Business (Note 1)	Total	Adjustments (Note 2)	Consolidated
	Domestic Engineering Outsourcing Business	Domestic Manufacturing Outsourcing Business	Domestic Service Operations Outsourcing Business	Overseas Engineering Outsourcing Business	Overseas Manufacturing and Service Operations Outsourcing Business	Total				
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen				
Revenue										
Revenue from external customers	25,100	16,280	5,936	9,558	32,621	89,495	47	89,542	—	89,542
Intersegment revenue (Note 3)	620	237	48	24	399	1,328	322	1,650	(1,650)	—
Total	25,720	16,517	5,984	9,582	33,020	90,823	369	91,192	(1,650)	89,542
Cost of sales and other income (expenses)	(24,275)	(15,067)	(5,353)	(9,268)	(32,896)	(86,859)	(314)	(87,173)	98	(87,075)
Segment profit (Operating profit) (Reconciling items)	1,445	1,450	631	314	124	3,964	55	4,019	(1,552)	2,467
Finance income	—	—	—	—	—	—	—	—	—	684
Finance costs	—	—	—	—	—	—	—	—	—	(1,734)
Share of profit (loss) of investments accounted for using the equity method										31
Profit before tax	—	—	—	—	—	—	—	—	—	1,448

(Note 1) The category “other businesses” is an operating segment not included in reportable segments and is engaged in agency secretarial works and the like at subsidiaries of the Company.

(Note 2) The adjustment of segment profit of ¥(1,552) million includes expenses related to business combinations of ¥(58) million, corporate expenses of ¥(1,489) million, profits or losses not allocated to any specific operating segment, and elimination of intersegment transactions.

(Note 3) Intersegment revenues are based on prevailing market prices.

First Quarter of Fiscal Year 2021 (From January 1, 2021 to March 31, 2021)

	Reportable segment						Other Business (Note 1)	Total	Adjustments (Note 2)	Consolidated
	Domestic Engineering Outsourcing Business	Domestic Manufacturing Outsourcing Business	Domestic Service Operations Outsourcing Business	Overseas Engineering Outsourcing Business	Overseas Manufacturing and Service Operations Outsourcing Business	Total				
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen				
Revenue										
Revenue from external customers	27,556	23,130	6,960	26,353	39,884	123,883	13	123,896	—	123,896
Intersegment revenue (Note 3)	722	602	51	260	420	2,055	372	2,427	(2,427)	—
Total	28,278	23,732	7,011	26,613	40,304	125,938	385	126,323	(2,427)	123,896
Cost of sales and other income (expenses)	(26,569)	(21,801)	(5,649)	(25,275)	(38,956)	(118,250)	(407)	(118,657)	(33)	(118,690)
Segment profit (Operating profit) (Reconciling items)	1,709	1,931	1,362	1,338	1,348	7,688	(22)	7,666	(2,460)	5,206
Finance income	—	—	—	—	—	—	—	—	—	1,563
Finance costs	—	—	—	—	—	—	—	—	—	(1,356)
Share of profit (loss) of investments accounted for using the equity method	—	—	—	—	—	—	—	—	—	51
Profit before tax	—	—	—	—	—	—	—	—	—	5,464

- (Note 1) The category “other businesses” is an operating segment not included in reportable segments and is engaged in agency secretarial works and the like at subsidiaries of the Company.
- (Note 2) The adjustment of segment profit of ¥(2,460) million includes expenses related to business combinations of ¥(747) million, corporate expenses of ¥(1,664) million, profits or losses not allocated to any specific operating segment, and elimination of intersegment transactions.
- (Note 3) Intersegment revenues are based on prevailing market prices.