

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2021 (Based on Japanese GAAP)

May 12, 2021

Company name: Riskmonster.com
 Stock exchange listing: Tokyo
 Stock code: 3768 URL <https://www.riskmonster.co.jp>
 Representative: President, CEO Taichi Fujimoto
 General Manager, Finance and Accounting
 Inquiries: Division Maki Yoshida TEL 03-6214-0331
 Scheduled date of ordinary general meeting of shareholders: June 24, 2021
 Scheduled date to file Securities Report: June 24, 2021
 Scheduled date to commence dividend payments: June 8, 2021
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)

(1) Consolidated operating results

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2021	3,551	12.7	654	29.1	672	22.8	427	39.8
Year ended March 31, 2020	3,150	6.3	507	10.2	547	17.3	305	8.9

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2021	57.47	—	8.7	11.0	18.4
Year ended March 31, 2020	40.42	—	6.8	9.9	16.1

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2021	6,658	5,400	79.6	710.75
As of March 31, 2020	5,534	4,632	82.1	613.29

(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
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2021	1,053	(441)	(136)	2,443
Year ended March 31, 2020	710	(467)	(372)	1,967

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2020	—	0.00	—	20.00	20.00	74	24.7	1.7
Year ended March 31, 2021	—	0.00	—	28.00	28.00	104	24.4	2.1
Year ending March 31, 2022 (Forecast)	—	0.00	—	14.50	14.50		25.1	

3. Forecast of consolidated financial results for the year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	3,550	0.0	655	0.0	675	0.3	430	0.5	57.67

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2021

(changes in specified subsidiaries resulting in the change in scope of consolidation):

No

(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations:

No

Changes in accounting policies due to other reasons:

No

Changes in accounting estimates:

No

Restatement of prior period financial statements:

No

(3) Number of issued shares (common shares)

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

As of March 31, 2021	7,546,922 shares	As of March 31, 2020	7,546,922 shares
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Number of treasury shares at the end of the period

As of March 31, 2021	90,368 shares	As of March 31, 2020	133,800 shares
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Average number of shares during the period

Year ended March 31, 2021	7,442,700 shares	Year ended March 31, 2020	7,568,044 shares
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Consolidated financial statements

Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2020	As of March 31, 2021
Assets		
Current assets		
Cash and deposits	2,068,803	2,544,953
Notes and accounts receivable - trade	427,886	463,561
Raw materials and supplies	15,892	16,668
Other	62,842	58,634
Allowance for doubtful accounts	(685)	(739)
Total current assets	2,574,739	3,083,079
Non-current assets		
Property, plant and equipment		
Buildings and structures	565,454	567,591
Accumulated depreciation	(114,423)	(133,956)
Buildings and structures, net	451,030	433,634
Tools, furniture and fixtures	432,624	383,306
Accumulated depreciation	(344,722)	(287,320)
Tools, furniture and fixtures, net	87,901	95,985
Land	568,352	568,352
Leased assets	4,713	4,713
Accumulated depreciation	(458)	(1,243)
Leased assets, net	4,255	3,469
Total property, plant and equipment	1,111,540	1,101,442
Intangible assets		
Software	623,365	738,381
Other	84,840	110,895
Total intangible assets	708,205	849,277
Investments and other assets		
Investment securities	1,078,111	1,545,086
Deferred tax assets	12,924	12,772
Other	49,588	66,888
Allowance for doubtful accounts	(150)	(140)
Total investments and other assets	1,140,473	1,624,607
Total non-current assets	2,960,219	3,575,328
Total assets	5,534,958	6,658,407

(Thousands of yen)

	As of March 31, 2020	As of March 31, 2021
Liabilities		
Current liabilities		
Accounts payable - other	252,909	398,166
Current portion of long-term borrowings	60,160	60,160
Lease obligations	809	831
Income taxes payable	77,735	197,236
Provision for bonuses	698	716
Other	122,332	162,843
Total current liabilities	514,646	819,955
Non-current liabilities		
Long-term borrowings	215,640	155,480
Lease obligations	3,856	3,024
Deferred tax liabilities	149,286	259,655
Retirement benefit liability	6,171	2,940
Other	12,993	17,185
Total non-current liabilities	387,947	438,285
Total liabilities	902,593	1,258,240
Net assets		
Shareholders' equity		
Share capital	1,155,993	1,155,993
Capital surplus	780,280	785,621
Retained earnings	2,299,444	2,653,063
Treasury shares	(93,587)	(63,264)
Total shareholders' equity	4,142,130	4,531,414
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	393,744	753,795
Foreign currency translation adjustment	10,493	14,533
Total accumulated other comprehensive income	404,237	768,329
Non-controlling interests	85,997	100,423
Total net assets	4,632,365	5,400,167
Total liabilities and net assets	5,534,958	6,658,407

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Thousands of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Net sales	3,150,052	3,551,134
Cost of sales	1,419,182	1,540,599
Gross profit	1,730,870	2,010,534
Selling, general and administrative expenses	1,223,781	1,355,667
Operating profit	507,088	654,867
Non-operating income		
Interest income	835	882
Dividend income	24,924	10,492
Gain on investments in investment partnerships	18,780	9,332
Subsidy income	—	3,531
Other	782	1,067
Total non-operating income	45,323	25,305
Non-operating expenses		
Interest expenses	3,296	2,701
Commission for purchase of treasury shares	674	—
Foreign exchange losses	456	2,459
Commitment fees	—	2,298
Total non-operating expenses	4,428	7,459
Ordinary profit	547,983	672,713
Extraordinary income		
Gain on sale of non-current assets	107	—
Gain on sale of investment securities	183	—
Total extraordinary income	290	—
Extraordinary losses		
Loss on retirement of non-current assets	1,152	16,298
Office relocation expenses	1,576	—
Loss on valuation of investment securities	44,042	11,360
Loss on sale of investment securities	1,198	—
Business restructuring expenses	14,443	—
Other	3,738	—
Total extraordinary losses	66,152	27,658
Profit before income taxes	482,121	645,055
Income taxes - current	152,874	253,654
Income taxes - deferred	10,866	(49,104)
Total income taxes	163,740	204,549
Profit	318,380	440,505
Profit attributable to non-controlling interests	12,494	12,755
Profit attributable to owners of parent	305,885	427,750

Consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Profit	318,380	440,505
Other comprehensive income		
Valuation difference on available-for-sale securities	37,968	360,446
Foreign currency translation adjustment	(2,228)	5,316
Total other comprehensive income	35,740	365,762
Comprehensive income	354,120	806,268
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	342,765	791,842
Comprehensive income attributable to non-controlling interests	11,354	14,425

Consolidated statements of changes in equity

Fiscal year ended March 31, 2020

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,155,993	989,085	2,058,932	(104,830)	4,099,180
Changes during period					
Dividends of surplus			(65,373)		(65,373)
Profit attributable to owners of parent			305,885		305,885
Purchase of treasury shares				(246,362)	(246,362)
Cancellation of treasury shares		(205,404)		205,404	–
Disposal of treasury shares		(3,400)		52,200	48,800
Net changes in items other than shareholders' equity					
Total changes during period	–	(208,804)	240,512	11,242	42,950
Balance at end of period	1,155,993	780,280	2,299,444	(93,587)	4,142,130

	Accumulated other comprehensive income			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	355,170	12,186	367,357	74,642	4,541,180
Changes during period					
Dividends of surplus					(65,373)
Profit attributable to owners of parent					305,885
Purchase of treasury shares					(246,362)
Cancellation of treasury shares					–
Disposal of treasury shares					48,800
Net changes in items other than shareholders' equity	38,573	(1,693)	36,879	11,354	48,234
Total changes during period	38,573	(1,693)	36,879	11,354	91,184
Balance at end of period	393,744	10,493	404,237	85,997	4,632,365

Fiscal year ended March 31, 2021

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,155,993	780,280	2,299,444	(93,587)	4,142,130
Changes during period					
Dividends of surplus			(74,131)		(74,131)
Profit attributable to owners of parent			427,750		427,750
Purchase of treasury shares				(174)	(174)
Disposal of treasury shares		5,341		30,498	35,839
Net changes in items other than shareholders' equity					
Total changes during period	—	5,341	353,619	30,323	389,283
Balance at end of period	1,155,993	785,621	2,653,063	(63,264)	4,531,414

	Accumulated other comprehensive income			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	393,744	10,493	404,237	85,997	4,632,365
Changes during period					
Dividends of surplus					(74,131)
Profit attributable to owners of parent					427,750
Purchase of treasury shares					(174)
Disposal of treasury shares					35,839
Net changes in items other than shareholders' equity	360,051	4,040	364,092	14,425	378,518
Total changes during period	360,051	4,040	364,092	14,425	767,801
Balance at end of period	753,795	14,533	768,329	100,423	5,400,167

Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Cash flows from operating activities		
Profit before income taxes	482,121	645,055
Depreciation	334,833	358,431
Amortization of guarantee deposits	5,103	2,343
Increase (decrease) in allowance for doubtful accounts	(60)	44
Increase (decrease) in retirement benefit liability	(803)	(3,231)
Interest and dividend income	(25,759)	(11,374)
Loss (gain) on investments in investment partnerships	(18,780)	(9,332)
Loss on retirement of non-current assets	1,152	16,298
Relocation expenses	1,576	—
Interest expenses	3,296	2,701
Subsidy income	—	(3,531)
Foreign exchange losses (gains)	456	2,459
Commission for purchase of treasury shares	674	—
Loss (gain) on sale of investment securities	1,015	—
Loss (gain) on valuation of investment securities	44,042	11,360
Decrease (increase) in trade receivables	(32,260)	(35,307)
Decrease (increase) in inventories	(5,374)	(776)
Increase (decrease) in accounts payable - other	42,062	124,002
Other, net	38,770	78,363
Subtotal	872,068	1,177,505
Interest and dividends received	21,813	9,624
Interest paid	(3,065)	(2,482)
Income taxes paid	(177,136)	(134,806)
Subsidies received	—	3,531
Payments of relocation expenses	(2,734)	—
Net cash provided by (used in) operating activities	710,944	1,053,372
Cash flows from investing activities		
Purchase of property, plant and equipment	(72,426)	(69,633)
Purchase of intangible assets	(411,771)	(422,979)
Purchase of investment securities	(143,225)	(3,770)
Proceeds from sale of investment securities	112,918	—
Payments into time deposits	(202,404)	(202,439)
Proceeds from withdrawal of time deposits	202,386	202,421
Other, net	46,944	54,610
Net cash provided by (used in) investing activities	(467,578)	(441,790)

	(Thousands of yen)	
	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Cash flows from financing activities		
Repayments of long-term borrowings	(60,160)	(60,160)
Repayments of lease obligations	(781)	(740)
Purchase of treasury shares	(246,362)	(174)
Dividends paid	(65,665)	(74,086)
Other, net	—	(1,767)
Net cash provided by (used in) financing activities	(372,970)	(136,929)
Effect of exchange rate change on cash and cash equivalents	(2,742)	1,480
Net increase (decrease) in cash and cash equivalents	(132,346)	476,133
Cash and cash equivalents at beginning of period	2,099,943	1,967,596
Cash and cash equivalents at end of period	1,967,596	2,443,729