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January 27, 2023

Consolidated Financial Results for the Nine Months Ended December 31, 2022 (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: February 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 Nine months ended December 31, 2022 (from April 1, 2022 to December 31, 2022)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Nine months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2022	40,452	18.1	6,040	22.7	6,342	22.8	3,761	20.3
December 31, 2021	34,260	14.0	4,924	27.6	5,163	29.1	3,126	37.8

(Note) Comprehensive income For the Nine months ended December 31, 2022: ¥4,608 million [27.0%]
 For the Nine months ended December 31, 2021: ¥3,628 million [39.5%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2022	29.45	29.32
December 31, 2021	24.39	24.27

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
December 31, 2022	58,348	40,050	64.2
March 31, 2022	54,028	36,566	63.5

Reference: Equity

As of December 31, 2022 : ¥37,465 million
 As of March 31, 2022 : ¥34,309 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, 2022	—	4.00	—	4.50	8.50
Fiscal year ended March 31, 2023	—	5.00			
Fiscal year ended March 31, 2023 (Forecast)			—	5.00	10.00

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

3. Forecast of consolidated financial results for the year ending March 31, 2023

	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
Full year	53,000	13.4	7,900	15.5	8,150	14.0	4,900	12.5	38.36

(Note) Revision to the financial results forecast announced most recently: No

Note:

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|---|------|
| (1) Changes in significant subsidiaries during the Nine months ended December 31, 2022 : | 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: | Yes |
| 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 December 31, 2022	128,455,100 shares	As of March 31, 2022	128,192,400 shares
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Number of treasury shares at the end of the period

As of December 31, 2022	580,708 shares	As of March 31, 2022	580,708 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

As of December 31, 2022	127,723,069 shares	As of December 31, 2021	128,158,847 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, 2022	As of December 31, 2022
Assets		
Current assets		
Cash and deposits	18,237,698	19,893,682
Accounts receivable - trade	4,730,591	5,391,072
Advances paid	5,410,483	7,110,055
Merchandise and finished goods	40,462	58,518
Work in process	141,864	194,184
Raw materials and supplies	64,548	79,163
Other	3,360,757	3,139,383
Allowance for doubtful accounts	△783,531	△1,090,208
Total current assets	31,202,874	34,775,853
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	11,488,542	11,216,291
Other, net	1,738,935	1,726,172
Total property, plant and equipment	13,227,478	12,942,464
Intangible assets		
Goodwill	—	142,500
Other	1,811,287	1,821,992
Total intangible assets	1,811,287	1,964,492
Investments and other assets		
Investment securities	6,791,947	7,775,448
Other	1,067,626	960,093
Allowance for doubtful accounts	△72,463	△69,750
Total investments and other assets	7,787,111	8,665,792
Total non-current assets	22,825,877	23,572,749
Total assets	54,028,751	58,348,602

(Thousands of yen)

	As of March 31, 2022	As of December 31, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,085,324	1,248,439
Short-term borrowings	875,000	250,000
Income taxes payable	1,513,110	934,839
Contract liabilities	4,633,298	5,797,550
Provision for bonuses	920,316	612,524
Reserve for fulfillment of guarantees	124,846	258,348
Other	5,420,058	6,337,253
Total current liabilities	14,571,954	15,438,955
Non-current liabilities		
Long-term borrowings	375,000	312,500
Retirement benefit liability	6,494	11,081
Asset retirement obligations	1,844,893	1,871,921
Other	664,180	664,137
Total non-current liabilities	2,890,568	2,859,640
Total liabilities	17,462,523	18,298,595
Net assets		
Shareholders' equity		
Share capital	1,519,708	1,563,903
Capital surplus	2,788,977	2,833,533
Retained earnings	28,685,255	31,233,322
Treasury shares	△418,158	△418,158
Total shareholders' equity	32,575,782	35,212,600
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	608,758	606,823
Foreign currency translation adjustment	1,124,819	1,645,882
Total accumulated other comprehensive income	1,733,577	2,252,705
Share acquisition rights	207,798	240,082
Non-controlling interests	2,049,069	2,344,619
Total net assets	36,566,228	40,050,007
Total liabilities and net assets	54,028,751	58,348,602

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

(Thousands of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Net sales	34,260,945	40,452,003
Cost of sales	26,084,304	30,485,792
Gross profit	8,176,640	9,966,211
Selling, general and administrative expenses	3,252,575	3,925,277
Operating profit	4,924,065	6,040,934
Non-operating income		
Interest income	2,402	5,036
Interest on securities	119,529	166,771
Dividend income	26,598	29,324
Share of profit of entities accounted for using equity method	105,214	252,226
Other	29,275	46,671
Total non-operating income	283,020	500,031
Non-operating expenses		
Interest expenses	4,380	4,452
Foreign exchange losses	—	169,804
Other	39,036	24,617
Total non-operating expenses	43,416	198,875
Ordinary profit	5,163,669	6,342,090
Extraordinary income		
Gain on sale of non-current assets	772	1,006
Subsidy income	2,014	15,148
Other	—	1,604
Total extraordinary income	2,787	17,759
Extraordinary losses		
Loss on sale of non-current assets	89	38
Loss on retirement of non-current assets	31,894	—
Loss on tax purpose reduction entry of non- current assets	2,014	15,148
Impairment losses	366	840
Other	—	3,860
Total extraordinary losses	34,364	19,888
Profit before income taxes	5,132,092	6,339,962
Income taxes - current	1,672,027	2,147,465
Income taxes - deferred	86,724	99,405
Total income taxes	1,758,751	2,246,871
Profit	3,373,340	4,093,091
Profit attributable to non-controlling interests	247,033	331,611
Profit attributable to owners of parent	3,126,306	3,761,479

(Consolidated Statement of Comprehensive Income)

(Thousands of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Profit	3,373,340	4,093,091
Other comprehensive income		
Valuation difference on available-for-sale securities	69,322	△5,679
Foreign currency translation adjustment	186,011	521,063
Total other comprehensive income	255,334	515,384
Comprehensive income	3,628,674	4,608,475
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,384,938	4,280,607
Comprehensive income attributable to non-controlling interests	243,736	327,868