

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2019 (Based on Japanese GAAP)

November 5, 2019

Company name: Riskmonster.com
 Stock exchange listing: Tokyo
 Stock code: 3768 URL <https://www.riskmonster.co.jp>
 Representative: President,CEO Taichi Fujimoto
 Inquiries: General Manager, Finance and Accounting Maki Yoshida TEL 03-6214-0331
 Division
 Scheduled date to file Quarterly Securities Report: November 8, 2019
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2019 (from April 1, 2019 to September 30, 2019)

(1) Consolidated operating results (cumulative)

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	%
Six months ended September 30, 2019	1,585	7.7	292	16.7	323	26.8	208	32.8
Six months ended September 30, 2018	1,471	3.4	250	14.6	255	13.0	156	9.9

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2019	54.38	–
Six months ended September 30, 2018	40.60	40.50

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2019	5,728	4,794	82.3	1,225.12
As of March 31, 2019	5,513	4,541	81.0	1,161.50

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2019	–	0.00	–	17.00	17.00
Year ending March 31, 2020	–	0.00			
Year ending March 31, 2020 (Forecast)			–	18.50	18.50

3. Forecast of consolidated financial results for the year ending March 31, 2020 (from April 1, 2019 to March 31, 2020)

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	3,100	4.6	500	8.7	500	7.0	300	6.8	78.17

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2019
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) 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

(4) Number of issued shares (common shares)

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

As of September 30, 2019	3,873,500 shares	As of March 31, 2019	3,923,500 shares
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Number of treasury shares at the end of the period

As of September 30, 2019	25,939 shares	As of March 31, 2019	78,000 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2019	3,827,583 shares	Six months ended September 30, 2018	3,860,502 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2019	As of September 30, 2019
Assets		
Current assets		
Cash and deposits	2,101,131	2,115,044
Notes and accounts receivable - trade	395,785	458,361
Securities	99,999	–
Raw materials and supplies	11,904	7,576
Other	41,403	73,484
Allowance for doubtful accounts	(762)	(801)
Total current assets	2,649,461	2,653,664
Non-current assets		
Property, plant and equipment		
Buildings and structures	553,218	565,444
Accumulated depreciation	(96,933)	(103,710)
Buildings and structures, net	456,284	461,733
Tools, furniture and fixtures	444,088	444,297
Accumulated depreciation	(362,043)	(345,402)
Tools, furniture and fixtures, net	82,044	98,895
Land	568,352	568,352
Leased assets	4,860	4,713
Accumulated depreciation	(4,050)	(65)
Leased assets, net	810	4,648
Construction in progress	–	6,096
Total property, plant and equipment	1,107,492	1,139,726
Intangible assets		
Software	587,905	601,460
Other	44,747	66,526
Total intangible assets	632,652	667,986
Investments and other assets		
Investment securities	1,064,262	1,195,908
Other	60,157	71,144
Allowance for doubtful accounts	(133)	(140)
Total investments and other assets	1,124,286	1,266,912
Total non-current assets	2,864,431	3,074,625
Total assets	5,513,893	5,728,289

(Thousands of yen)

	As of March 31, 2019	As of September 30, 2019
Liabilities		
Current liabilities		
Accounts payable - other	266,146	209,627
Current portion of long-term borrowings	60,160	60,160
Income taxes payable	108,586	92,798
Provision for bonuses	515	796
Other	120,361	118,546
Total current liabilities	555,769	481,928
Non-current liabilities		
Long-term borrowings	275,800	245,720
Retirement benefit liability	6,974	5,122
Other provisions	9,400	11,237
Other	124,767	189,648
Total non-current liabilities	416,943	451,727
Total liabilities	972,712	933,656
Net assets		
Shareholders' equity		
Share capital	1,155,993	1,155,993
Capital surplus	989,085	920,435
Retained earnings	2,058,932	2,201,707
Treasury shares	(104,830)	(33,804)
Total shareholders' equity	4,099,180	4,244,331
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	355,170	459,259
Foreign currency translation adjustment	12,186	10,136
Total accumulated other comprehensive income	367,357	469,396
Non-controlling interests	74,642	80,905
Total net assets	4,541,180	4,794,633
Total liabilities and net assets	5,513,893	5,728,289

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Thousands of yen)

	Six months ended September 30, 2018	Six months ended September 30, 2019
Net sales	1,471,991	1,585,312
Cost of sales	641,258	701,441
Gross profit	830,732	883,871
Selling, general and administrative expenses	580,527	591,865
Operating profit	250,205	292,006
Non-operating income		
Interest income	70	306
Dividend income	6,519	12,820
Gain on investments in investment partnerships	630	19,753
Other	261	937
Total non-operating income	7,481	33,819
Non-operating expenses		
Interest expenses	1,992	1,709
Commission for purchase of treasury shares	443	418
Foreign exchange losses	61	–
Total non-operating expenses	2,497	2,128
Ordinary profit	255,189	323,696
Extraordinary income		
Gain on sales of investment securities	–	183
Other	–	34
Total extraordinary income	–	218
Extraordinary losses		
Loss on retirement of non-current assets	643	352
Loss on sales of investment securities	–	1,198
Office relocation expenses	6,944	1,576
Total extraordinary losses	7,588	3,127
Profit before income taxes	247,600	320,786
Income taxes - current	86,730	84,331
Income taxes - deferred	(469)	21,482
Total income taxes	86,261	105,813
Profit	161,338	214,973
Profit attributable to non-controlling interests	4,588	6,825
Profit attributable to owners of parent	156,750	208,148

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Six months ended September 30, 2018	Six months ended September 30, 2019
Profit	161,338	214,973
Other comprehensive income		
Valuation difference on available-for-sale securities	104,685	104,173
Foreign currency translation adjustment	(677)	(2,697)
Total other comprehensive income	104,008	101,476
Comprehensive income	265,347	316,450
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	260,701	310,187
Comprehensive income attributable to non-controlling interests	4,646	6,262