

Summary of Consolidated Financial Results for the Fiscal Year Ended February 2020 (Japanese GAAP)



April 14, 2020

Name of listed company: Ricksoft Co., Ltd.

Listing exchange: Tokyo Stock Exchange

Securities code: 4429

URL: <https://www.ricksoft.jp/en>

Representative: Hiroshi Ohnuki, CEO

Contact for inquiries: Toshihiko Suzuki, Board Member

Tel: 81-3-6262-3948

Scheduled date for next regular general meeting of shareholders: May 28, 2020

Scheduled date for start of dividend payment: —

Scheduled date for submission of periodic securities report: May 28, 2020

Supplementary materials on financial results: No

Financial results briefing session: Yes (for institutional investors and analysts)

(Amounts are rounded down to the nearest million yen)

1. Consolidated results for fiscal year ended February 2020 (from March 1, 2019 to February 29, 2020)

(1) Consolidated operating results (% figures show the rate of increase (decrease) compared with the previous fiscal year)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%
Fiscal year ended Feb. 2020	3,088	24.4	402	8.3	402	4.3	288	13.0
Fiscal year ended Feb. 2019	2,482	43.7	371	183.9	386	197.5	255	174.5

(Note) Comprehensive income Fiscal year ended Feb. 2020 288 million yen (12.6 %) Fiscal year ended Feb. 2019 256 million yen (176.7%)

	Basic earnings per share	Diluted earnings per share	Return on equity	Return on assets	Operating profit ratio
	yen	yen	%	%	%
Fiscal year ended Feb. 2020	68.54	64.20	23.8	23.7	13.0
Fiscal year ended Feb. 2019	64.14	58.82	35.5	33.7	15.0

(Reference) Equity gains (losses) of affiliated companies Fiscal year ended Feb. 2020 - million yen Fiscal year ended Feb. 2019 - million yen

(Notes) 1. The Company conducted a 100-for-1 stock split of its common shares as of November 1, 2018, and a 2-for-1 stock split of its common shares as of September 1, 2019. Accordingly, basic earnings per share and diluted earnings per share have been calculated on the assumption that the stock splits were conducted at the beginning of the previous fiscal year.

2. The Company was listed on the Mothers market of the Tokyo Stock Exchange, Inc. on February 26, 2019. Accordingly, the diluted earnings per share of the fiscal year ended February 2019 has been calculated by deeming the average share price for the period from the listing day to the end of the current fiscal year as the average stock price during fiscal year.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	million yen	million yen	%	yen
Fiscal year ended Feb. 2020	1,921	1,437	74.8	335.95
Fiscal year ended Feb. 2019	1,483	989	66.7	239.70

(Reference) Equity Fiscal year ended Feb. 2020 1,437 million yen Fiscal year ended Feb. 2019 989 million yen

(Note) The Company conducted a 100-for-1 stock split of its common shares as of November 1, 2018, and a 2-for-1 stock split of its common shares as of September 1, 2019.

(3) Consolidated cash flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
	million yen	million yen	million yen	million yen
Fiscal year ended Feb. 2020	315	(42)	152	1,458
Fiscal year ended Feb. 2019	386	(5)	250	1,037

2. Dividends

	Annual dividends					Total dividends	Payout ratio (Consolidated)	Net assets to dividend ratio (Consolidated)
	End of first quarter	End of second quarter	End of third quarter	Year-end	Total			
	yen	yen	yen	yen	yen	million yen	%	%
Fiscal year ended Feb. 2019	-	0.00	-	0.00	0.00	-	-	-
Fiscal year ended Feb. 2020	-	0.00	-	0.00	0.00	-	-	-
Fiscal year ending Feb. 2021 (forecast)	-	0.00	-	0.00	0.00		-	

3. Consolidated earnings forecast for fiscal year ending February 2021 (from March 1, 2020 to February 28, 2021)

(% figures show the rate of increase (decrease) compared with the previous fiscal year)

	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 fiscal year	3,906	26.5	540	34.3	544	35.3	378	31.0	88.00

*Explanatory notes

(1) Changes in significant subsidiaries during fiscal year : No

(Changes in specified subsidiaries resulting in change in scope of consolidation)

Newly included: – companies (Company name)

Excluded: – companies (Company name)

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

1) Changes in accounting policies due to amendment of accounting standards, etc. : No

2) Changes in accounting policies other than 1) : No

3) Changes in accounting estimates : Yes

4) Restatement : No

(Note) For changes in accounting policies, please refer to “3. Consolidated Financial Statements and Significant Notes Thereto (5) Notes to Consolidated Financial Statements” on page 10.

(3) Number of shares issued and outstanding (common shares)

1) Number of shares issued and outstanding (including treasury shares) at end of fiscal year	Fiscal year ended Feb. 2020	4,278,700 shares	Fiscal year ended Feb. 2019	4,127,800 shares
2) Number of treasury shares at end of fiscal year	Fiscal year ended Feb. 2020	48 shares	Fiscal year ended Feb. 2019	- shares
3) Average number of shares during fiscal year	Fiscal year ended Feb. 2020	4,214,605 shares	Fiscal year ended Feb. 2019	3,985,830 shares

(Note) The Company conducted a 100-for-1 stock split of its common shares as of November 1, 2018, and a 2-for-1 stock split of its common shares as of September 1, 2019. The total number of shares issued and outstanding (common shares) is calculated on the assumption that the share splits were conducted at the beginning of the previous fiscal year.

*This summary of financial results is not subject to audit procedures by a public accountant or audit corporation.

*Explanation regarding appropriate use of earnings forecasts, and other notes

(Notes on forward-looking statements)

The financial outlook and other forward-looking statements contained in this document are based on information currently available to and certain assumptions that are thought to be reasonable by the Company. Accordingly, such statements should not be construed as a guarantee of achieving the results by the Company. Actual financial results and the like may differ materially due to various factors. For the conditions forming the assumptions on which financial forecasts are based and notes on financial forecasts, etc., please refer to the explanations on the forecast information described in “1. Overview of Operating Results, Etc.; (4) Future Outlook” on page 3.

o Table of Contents of the Attachment

1. Overview of Operating Results, etc.	2
(1) Overview of Operating Results for the Fiscal Year Under Review	2
(2) Overview of Financial Position for the Fiscal Year under Review	2
(3) Overview of Cash Flows for the Fiscal Year under Review	2
(4) Future Outlook	3
2. Basic Policy Regarding Selection of Accounting Standards	3
3. Consolidated Financial Statements and Significant Notes Thereto	4
(1) Consolidated Balance Sheet	4
(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income	6
(3) Consolidated Statement of Changes in Equity	8
(4) Consolidated Statement of Cash Flows	9
(5) Notes to Consolidated Financial Statements	10
(Notes on Going Concern Assumption)	10
(Change in Presentation Method)	10
(Changes in Accounting Estimates)	10
(Segment Information, Etc.)	10
(Per Share Information)	12
(Significant Subsequent Events)	12

1. Overview of Operating Results, etc.

(1) Overview of Operating Results for the Fiscal Year Under Review

Looking at the Japanese economy in the fiscal year ended February 2020, the employment situation improved with labor shortage felt at a high level, and consumer spending picked up against the backdrop of a mild increase in real wage income of employees. Exports are also expected to pick up again backed by a moderate recovery in overseas economies, although close attention must be paid to the impact of the novel coronavirus (COVID-19) infection on the Japanese economy as it will discourage the inflow of foreign demand that has positively affected Japan, as well as the impact of the outcome of the Chinese economy and other overseas economies.

In the information services sector to which the Ricksoft Group belongs, demand for cloud services is growing rapidly across the globe. In Japan, it is presumed that an increasing number of companies will position cloud services as the IT base for digitalization and global expansion of their business, utilizing not only virtual servers but also Platform as a Service (Paas). In terms of investment trends in products and services, more weight is being placed on items related to 5G, AI and IoT, and addressing such to promote business operations utilizing these technologies has become an immediate issue for companies. As for software license agreements, it is anticipated that a larger number of such agreements will adopt a subscription-type format going forward.

Under these circumstances, the Ricksoft Group started to sell WBS Gantt-Chart for Jira Cloud, a project management software developed in-house, in December 2019. The Company believes that the product will become a major factor for its growth, catching the tide of the shift to cloud services that will further accelerate globally. In addition, preparation for full-scale operations of Ricksoft, Inc., the U.S. subsidiary, was completed in the fiscal year under review, with investments for development and support services also conducted. Accordingly, sales of the subsidiary increased by approximately 30% over the previous fiscal year. Moreover, the number of the Company's customers almost doubled from the previous fiscal year, and the customer base expanded into more diversified areas, including those involved in space development and governmental agencies in various countries.

As a result, for the fiscal year under review, the Company recorded net sales of 3,088,542 thousand yen (up 24.4%), operating profit of 402,404 thousand yen (up 8.3%), ordinary profit of 402,816 thousand yen (up 4.3%), and profit attributable to owners of parent of 288,854 thousand yen (up 13.0%), all on a year-on-year basis.

(2) Overview of Financial Position for the Fiscal Year under Review

(Assets)

Total assets at the end of the fiscal year under review increased by 438,538 thousand yen from the end of the previous fiscal year to 1,921,815 thousand yen (up 29.6% year on year). This was mainly attributable to cash and deposits increasing by 421,388 thousand yen.

(Liabilities)

Liabilities at the end of the fiscal year under review decreased by 9,437 thousand yen from the end of the previous fiscal year to 484,375 thousand yen (down 1.9% year on year). This was mainly attributable to income taxes payable decreasing by 59,088 thousand yen while advances received increasing by 46,165 thousand yen.

(Net assets)

Net assets at the end of the fiscal year under review increased by 447,976 thousand yen from the end of the previous fiscal year to 1,437,439 thousand yen (up 45.3% year on year). This was mainly attributable to share capital and legal capital surplus increasing by 79,922 thousand yen respectively due to issuance of new shares, etc., and retained earnings increasing by 288,854 thousand yen due to recording of profit attributable to owners of parent.

(3) Overview of Cash Flows for the Fiscal Year under Review

Cash and cash equivalents at end of the fiscal year under review increased by 421,388 thousand yen from the end of the previous fiscal year to 1,458,395 thousand yen (up 40.6% year on year). The status of cash flows and their contributing factors are as follows.

(Cash flows from operating activities)

Cash flows from operating activities in the fiscal year under review amounted to net cash provided by operating activities of 315,991 thousand yen (down 18.3% year on year). This was mainly attributable to income taxes paid of 181,860 thousand yen, despite profit before income taxes of 402,816 thousand yen, a decrease in trade receivables of 67,699 thousand yen and an increase in advances received of 46,165 thousand yen.

(Cash flows from investing activities)

Cash flows from investing activities in the fiscal year under review amounted to net cash used in investing activities of 42,825 thousand yen (up 625.7% year on year). This was mainly due to payment of leasehold and guarantee deposits of 30,947 thousand yen and purchase of property, plant and equipment of 13,078 thousand yen, etc.

(Cash flows from financing activities)

Cash flows from financing activities in the fiscal year under review amounted to net cash provided by financing activities of 152,296 thousand yen (down 39.3% year on year). This was mainly attributable to proceeds from issuance of shares of 137,916 thousand yen and proceeds from issuance of shares resulting from exercise of share acquisition rights of 18,392 thousand yen.

(4) Future Outlook

The Japanese economy in the next fiscal year will presumably grow moderately, with exports picking up in accordance with the recovery of the world economy in the second half of 2020 and thereafter and domestic demand heading for recovery. However, prolonged spread of the COVID-19 infection in and outside Japan would keep the situation harsh and further reinforce uneasiness. In the information services sector to which the Ricksoft Group belongs, the demand environment is anticipated to remain favorable both in software development and outsourcing. In spite of this, the industry has entered a situation that poses uncertainty about the outlook, as the impact of the COVID-19 infection may be prolonged.

Looking ahead under these circumstances, the Ricksoft Group will focus on selling Atlassian products and other companies' products, as it has done to date, while aiming to further enhance operating results by newly developing and upgrading its own products and expanding sales of RickCloud services. By doing so, the Group will endeavor to vitalize its marketing activities in and outside Japan and expand sales in the global market.

For the business results for the fiscal year ending February 2021, the Company forecasts net sales of 3,906 million yen (up 26.5%), operating profit of 540 million yen (up 34.3%), ordinary profit of 544 million yen (up 35.3%) and profit attributable to owners of parent of 378 million yen (up 31.0%), all on a year-on-year basis.

Although the spread of the COVID-19 infection may affect the business results of the Ricksoft Group, it is difficult to discern the degree of the impact in the future. Accordingly, it is not factored in the forecast results at present.

2. Basic Policy Regarding Selection of Accounting Standards

In preparing consolidated financial statements, the Ricksoft Group has decided to apply the Japanese GAAP for the time being.

With regard to the application of the International Financial Reporting Standards, the Company intends to respond to the application in an appropriate manner, taking into consideration the situations of various factors both in and outside Japan.

3. Consolidated Financial Statements and Significant Notes Thereto

(1) Consolidated Balance Sheet

(Unit: thousand yen)

	Fiscal year ended Feb. 2019 (as of February 28, 2019)	Fiscal year ended Feb. 2020 (as of February 29, 2020)
Assets		
Current assets		
Cash and deposits	1,037,007	1,458,395
Accounts receivable - trade	292,381	223,685
Electronically recorded monetary claims - operating	3,400	4,319
Work in process	26,122	27,805
Other	14,117	30,647
Total current assets	1,373,029	1,744,853
Non-current assets		
Property, plant and equipment		
Buildings	39,888	74,398
Tools, furniture and fixtures	15,159	24,576
Other	463	463
Accumulated depreciation	(17,854)	(26,577)
Total property, plant and equipment	37,655	72,860
Intangible assets		
Goodwill	4,557	2,066
Other	5,298	3,429
Total intangible assets	9,855	5,496
Investments and other assets		
Deferred tax assets	8,343	14,663
Leasehold deposits	53,422	82,971
Other	970	970
Total investments and other assets	62,735	98,604
Total non-current assets	110,247	176,961
Total assets	1,483,276	1,921,815

(Unit: thousand yen)

	Fiscal year ended Feb. 2019 (as of February 28, 2019)	Fiscal year ended Feb. 2020 (as of February 29, 2020)
Liabilities		
Current liabilities		
Accounts payable - trade	135,138	125,634
Income taxes payable	123,419	64,331
Advances received	108,950	155,116
Provision for bonuses	21,500	24,661
Other	90,148	68,890
Total current liabilities	479,157	438,634
Non-current liabilities		
Asset retirement obligations	14,656	45,740
Total non-current liabilities	14,656	45,740
Total liabilities	493,813	484,375
Net assets		
Shareholders' equity		
Share capital	236,546	316,468
Capital surplus	271,546	351,468
Retained earnings	481,564	770,418
Treasury shares	-	(335)
Total shareholders' equity	989,656	1,438,019
Accumulated other comprehensive income		
Foreign currency translation adjustment	(230)	(609)
Total accumulated other comprehensive income	(230)	(609)
Share acquisition rights	38	29
Total net assets	989,463	1,437,439
Total liabilities and net assets	1,483,276	1,921,815

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

Consolidated Statement of Income

(Unit: thousand yen)

	Fiscal year ended Feb. 2019 (from March 1, 2018 to February 28, 2019)	Fiscal year ended Feb. 2020 (from March 1, 2019 to February 29, 2020)
Net sales	2,482,856	3,088,542
Cost of sales	1,473,775	1,904,495
Gross profit	1,009,080	1,184,047
Selling, general and administrative expenses	637,644	781,642
Operating profit	371,436	402,404
Non-operating income		
Interest income	79	60
Foreign exchange gains	12,077	-
Rebate	4,354	6,037
Subsidy income	2,040	1,350
Refund received	2,582	1,179
Other	1,271	121
Total non-operating income	22,404	8,749
Non-operating expenses		
Interest expenses	121	-
Share issuance costs	1,910	1,631
Going public expenses	5,563	113
Foreign exchange losses	-	6,592
Total non-operating expenses	7,595	8,337
Ordinary profit	386,245	402,816
Profit before income taxes	386,245	402,816
Income taxes - current	132,777	120,281
Income taxes - deferred	(2,179)	(6,320)
Total income taxes	130,598	113,961
Profit	255,646	288,854
Profit attributable to owners of parent	255,646	288,854

Consolidated Statement of Comprehensive Income

(Unit: thousand yen)

	Fiscal year ended Feb. 2019 (from March 1, 2018 to February 28, 2019)	Fiscal year ended Feb. 2020 (from March 1, 2019 to February 29, 2020)
Profit	255,646	288,854
Other comprehensive income		
Foreign currency translation adjustment	503	(379)
Total other comprehensive income	503	(379)
Comprehensive income	256,150	288,475
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	256,150	288,475

(3) Consolidated Statement of Changes in Equity

Fiscal year ended February 2019 (from March 1, 2018 to February 28, 2019)

(Unit: thousand yen)

	Shareholders' equity					Accumulated other comprehensive income		Share acquisition rights	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	95,050	130,050	225,917	-	451,017	(733)	(733)	38	450,321
Changes during period									
Issuance of new shares	141,496	141,496			282,992				282,992
Issuance of new shares - exercise of share acquisition rights					-				-
Profit attributable to owners of parent			255,646		255,646				255,646
Purchase of treasury shares					-				-
Net changes in items other than shareholders' equity						503	503	-	503
Total changes during period	141,496	141,496	255,646	-	538,638	503	503	-	539,142
Balance at end of period	236,546	271,546	481,564	-	989,656	(230)	(230)	38	989,463

Fiscal year ended February 2020 (from March 1, 2019 to February 29, 2020)

(Unit: thousand yen)

	Shareholders' equity					Accumulated other comprehensive income		Share acquisition rights	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	236,546	271,546	481,564	-	989,656	(230)	(230)	38	989,463
Changes during period									
Issuance of new shares	70,656	70,656			141,312				141,312
Issuance of new shares - exercise of share acquisition rights	9,266	9,266			18,532			(7)	18,525
Profit attributable to owners of parent			288,854		288,854				288,854
Purchase of treasury shares				(335)	(335)				(335)
Net changes in items other than shareholders' equity						(379)	(379)	(0)	(379)
Total changes during period	79,922	79,922	288,854	(335)	448,363	(379)	(379)	(8)	447,976
Balance at end of period	316,468	351,468	770,418	(335)	1,438,019	(609)	(609)	29	1,437,439

(4) Consolidated Statement of Cash Flows

(Unit: thousand yen)

	Fiscal year ended Feb. 2019 (from March 1, 2018 to February 28, 2019)	Fiscal year ended Feb. 2020 (from March 1, 2019 to February 29, 2020)
Net cash provided by (used in) operating activities		
Profit before income taxes	386,245	402,816
Depreciation	8,249	10,730
Amortization of goodwill	2,490	2,490
Foreign exchange losses (gains)	(16,742)	1,417
Increase (decrease) in provision for bonuses	(1,778)	3,161
Interest income	(79)	(60)
Interest expenses	121	-
Subsidy income	(2,040)	(1,350)
Share issuance costs	1,910	1,631
Going public expenses	5,563	113
Decrease (increase) in trade receivables	(35,760)	67,699
Decrease (increase) in inventories	(12,566)	(1,682)
Increase (decrease) in trade payables	7,384	(9,451)
Increase (decrease) in advances received	54,971	46,165
Increase (decrease) in accrued consumption taxes	18,743	(12,145)
Other, net	1,791	(15,461)
Subtotal	418,504	496,073
Interest received	79	60
Interest paid	(69)	-
Income taxes paid	(35,852)	(181,860)
Proceeds from subsidy income	4,264	1,718
Net cash provided by (used in) operating activities	386,924	315,991
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(3,786)	(13,078)
Purchase of intangible assets	(2,114)	-
Payments of leasehold and guarantee deposits	-	(30,947)
Proceeds from refund of leasehold and guarantee deposits	-	1,200
Net cash provided by (used in) investing activities	(5,900)	(42,825)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term borrowings	(30,000)	-
Proceeds from issuance of shares	282,992	137,916
Proceeds from issuance of shares resulting from exercise of share acquisition rights	-	18,392
Purchase of treasury shares	-	(335)
Payments of going public expenses	(2,000)	(3,676)
Net cash provided by (used in) financing activities	250,992	152,296
Effect of exchange rate change on cash and cash equivalents	1,932	(4,073)
Net increase (decrease) in cash and cash equivalents	633,947	421,388
Cash and cash equivalents at beginning of period	403,059	1,037,007
Cash and cash equivalents at end of period	1,037,007	1,458,395

(5) Notes to Consolidated Financial Statements

(Notes on Going Concern Assumption)

Not applicable.

(Change in Presentation Method)

(Changes due to the application of Partial Amendments to Accounting Standard for Tax Effect Accounting)

The Company applied the Partial Amendments to Accounting Standard for Tax Effect Accounting (The Accounting Standards Board of Japan Statement No. 28, February 16, 2018), etc. from the beginning of the fiscal year under review, and displays deferred tax assets in the category of investments and other assets and deferred tax liabilities in the category of non-current liabilities.

As a result, in the consolidated balance sheet for the previous fiscal year, reclassification was made so that deferred tax assets under current assets decreased by 11,751 thousand yen and deferred tax assets under investment and other assets increased by 8,343 thousand yen. Moreover, deferred tax liabilities under non-current liabilities decreased by 3,408 thousand yen.

Furthermore, total assets decreased by 3,408 thousand yen from before the changes as deferred tax assets and deferred tax liabilities were offset to the extent that they were considered to be taxed on the same entity.

(Changes in Accounting Estimates)

(Changes in estimates of asset retirement obligations)

With regard to the asset retirement obligations recorded as obligations to restore sites to their original conditions under the Company's real estate lease agreements, the Company changed the estimates of the restoration costs for the fiscal year under review based on new information regarding restoration costs that it obtained upon concluding new real estate lease agreements. Accordingly, the increase amount of 16,089 thousand yen due to the changes in the estimates was added to the balance of asset retirement obligations before the changes.

Furthermore, the changes pose only a minimal impact on the earnings for the fiscal year under review.

(Segment Information, Etc.)

[Segment information]

Description is omitted as the Company has a single business segment of tool solution business.

[Related information]

Fiscal year ended February 2019 (from March 1, 2018 to February 28, 2019)

1. Information by product and service

(Unit: thousand yen)

	License Sales, System Integration Services	Fully Managed Cloud Service for Enterprises	Own Software Development	Total
Sales to outside customers	2,158,556	177,166	147,133	2,482,856

2. Information by geographic area

(1) Net sales

Description is omitted as net sales to external customers exceeds 90% of net sales on the consolidated statement of income.

(2) Property, plant and equipment

Description is omitted as there is no property, plant and equipment located outside Japan.

3. Information by major customer

(Unit: thousand yen)

Customer name	Net sales	Related segment
DENSO CORPORATION	323,554	Tool solution business

Fiscal year ended February 2020 (from March 1, 2019 to February 29, 2020)

1. Information by product and service

(Unit: thousand yen)

	License Sales, System Integration Services	Fully Managed Cloud Service for Enterprises	Own Software Development	Total
Sales to outside customers	2,653,568	251,596	183,378	3,088,542

2. Information by geographic area

(1) Net sales

Description is omitted as net sales to external customers exceeds 90% of net sales on the consolidated statement of income.

(2) Property, plant and equipment

Description is omitted as there is no property, plant and equipment located outside Japan.

3. Information by major customer

(Unit: thousand yen)

Customer name	Net sales	Related segment
DENSO CORPORATION	351,796	Tool solution business

[Information about impairment loss on non-current assets by reportable segment]

Fiscal year ended February 2019 (from March 1, 2018 to February 28, 2019)

Not applicable.

Fiscal year ended February 2020 (from March 1, 2019 to February 29, 2020)

Not applicable.

[Information about amortization and unamortized balance of goodwill by reportable segment]

Fiscal year ended February 2019 (from March 1, 2018 to February 28, 2019)

Description is omitted as the Company has a single business segment of tool solution business.

Fiscal year ended February 2020 (from March 1, 2019 to February 29, 2020)

Description is omitted as the Company has a single business segment of tool solution business.

[Information about gain on bargain purchase by reportable segment]

Fiscal year ended February 2019 (from March 1, 2018 to February 28, 2019)

Not applicable.

Fiscal year ended February 2020 (from March 1, 2019 to February 29, 2020)

Not applicable.

(Per Share Information)

	Fiscal year ended Feb. 2019 (from March 1, 2018 to February 28, 2019)	Fiscal year ended Feb. 2020 (from March 1, 2019 to February 29, 2020)
Net assets per share	239.70 yen	335.95 yen
Basic earnings per share	64.14 yen	68.54 yen
Diluted earnings per share	58.82 yen	64.20 yen

- (Notes) 1. In response to the execution of rights to claim for acquisition of shares by Class A preferred shareholders and Class B preferred shareholders, the Company acquired all of the Class A preferred shares and Class B preferred shares as treasury shares on July 24, 2018, and, as their considerations, issued a common share for each Class A preferred share to the relevant Class A preferred shareholders and a common share for each Class B preferred share to the relevant Class B preferred shareholders. In addition, based on the resolution made at the Board of Directors meeting held on August 21, 2018, the Company cancelled the Class A preferred shares and Class B preferred shares it acquired as of September 3, 2018, pursuant to Article 178 of the Companies Act, in order to enhance shareholder value. Moreover, as the Company conducted a 100-for-1 stock split of its common shares as of November 1, 2018, and a 2-for-1 stock split of its common shares as of September 1, 2019, net assets per share, earnings per share, and diluted earnings per share are calculated on the assumption that a series of procedures for the stock splits was conducted at the beginning of the previous fiscal year.
2. The Company was listed on the Mothers market of the Tokyo Stock Exchange on February 26, 2019. Accordingly, the diluted earnings per share of the previous fiscal year has been calculated by deeming the average share price for the period from the listing day to the end of the previous fiscal year as the average stock price during fiscal year.
3. The basis for calculation of basic earnings per share and diluted earnings per share is as follows:

Item	Fiscal year ended Feb. 2019 (from March 1, 2018 to February 28, 2019)	Fiscal year ended Feb. 2020 (from March 1, 2019 to February 29, 2020)
Basic earnings per share		
Profit attributable to owners of parent (thousand yen)	255,646	288,854
Amount not attributable to common shareholders (thousand yen)	-	-
Profit attributable to owners of parent for common shares (thousand yen)	255,646	288,854
Average number of common shares during period (shares)	3,985,830	4,214,605
Diluted earnings per share		
Adjustment to profit attributable to owners of parent (thousand yen)	-	-
Increase in number of common shares (shares)	360,652	284,940
(Of which, share acquisition rights (shares))	(360,652)	(284,940)
Description of potentially dilutive shares not included in calculation of diluted earnings per share, because they are antidilutive	-	-

(Significant Subsequent Events)

Not applicable.