

August 4, 2023

Consolidated Financial Results for the Three-Month Period Ended June 30, 2023 (under Japanese GAAP)

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Scheduled date to file Quarterly Securities Report: August 7, 2023
 Scheduled date to commence payment of dividends: –
 Preparation of supplementary briefing materials on quarterly financial results: Yes
 Holding of quarterly financial results briefing: Yes (for institutional investors and securities analysts)

(Amounts less than a million yen are rounded down to the nearest million yen.)

1. Consolidated financial results for the three-month period ended June 30, 2023 (April 1, 2023–June 30, 2023)

(1) Results of operations (Percentages are shown as year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Net income attributable to owners of the parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three-month period ended June 30, 2023	1,114	(5.2)	329	(19.8)	371	(7.1)	238	(8.4)
June 30, 2022	1,175	6.6	410	14.9	400	13.9	260	2.1

Note: Comprehensive income Three-month period ended June 30, 2023: 265 million yen (up 0.0%)
 Three-month period ended June 30, 2022: 265 million yen (up 10.5%)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three-month period ended June 30, 2023	17.95	–
June 30, 2022	19.20	–

(2) Financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
June 30, 2023	5,386	4,555	84.6	342.67
March 31, 2023	5,531	4,653	84.1	350.05

Reference: Equity (Shareholders' equity + Accumulated other comprehensive income)
 As of June 30, 2023: 4,555 million yen
 As of March 31, 2023: 4,653 million yen

2. Dividends

	Annual dividends per share				
	Q1-end	Q2-end	Q3-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2023	–	0.00	–	27.00	27.00
Fiscal year ending March 31, 2024	–	–	–	–	–
Fiscal year ending March 31, 2024 (forecasted)	–	0.00	–	27.00	27.00

Note: Revisions to the dividends forecast most recently announced: None

3. Forecast of consolidated financial results for the fiscal year ending March 31, 2024 (April 1, 2023–March 31, 2024)

(Percentages are shown as year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Net income attributable to owners of the parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	5,100	4.6	1,830	3.6	1,800	5.9	1,180	6.6	88.77

Note: Revisions to the forecast of consolidated financial results most recently announced: None

*** Notes**

(1) Significant changes in scope of consolidation (changes in scope of consolidation of specified subsidiaries): None

Newly consolidated: – Excluded from consolidation: –

(2) Application of accounting treatments specific to the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies and accounting estimates, and restatements

1) Changes in accounting policies due to revisions in accounting standards, etc.: None

2) Changes in accounting policies other than those in 1) above: None

3) Changes in accounting estimates: None

4) Restatements: None

(4) Number of shares issued (ordinary shares)

1) Number of shares issued (including treasury shares):

As of June 30, 2023	15,123,200 shares
As of March 31, 2023	15,123,200 shares

2) Number of treasury shares:

As of June 30, 2023	1,829,678 shares
As of March 31, 2023	1,829,678 shares

3) Average number of shares outstanding during the period:

Three-month period ended June 30, 2023	13,293,522 shares
Three-month period ended June 30, 2022	13,573,322 shares

The number of treasury shares as of June 30, 2023, includes 180,000 shares of the Company held by the Board Benefit Trust and Employee Benefit Trust.

* This interim consolidated financial report is not subject to interim review procedures by certified public accountants or an audit firm.

* Explanation of appropriate use of earnings forecasts and other special notes

The forward-looking statements, including the earnings forecasts, contained in this report are based on information currently available to us and certain assumptions that we believe to be reasonable. Accordingly, please be advised that we do not guarantee the achievement of the forecasts, and the actual results may differ significantly from the forecasts due to a variety of factors.

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1. Quarterly Consolidated Financial Statements and Major Notes**(1) Quarterly Consolidated Balance Sheet**

(Thousands of yen)

	Previous fiscal year (As of March 31, 2023)	Current quarter (As of June 30, 2023)
Assets		
Current assets		
Cash and deposits	3,058,126	2,869,054
Notes and accounts receivable–trade, and contract assets	584,511	522,403
Merchandise and finished goods	4,936	4,211
Work in process	488	488
Income taxes refund receivable	322,839	463,208
Other	201,199	200,822
Allowance for doubtful accounts	(130)	(131)
Total current assets	4,171,971	4,060,056
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	60,396	61,673
Tools, furniture and fixtures, net	76,268	73,099
Land	1,973	1,973
Total property, plant and equipment	138,638	136,746
Intangible assets		
Goodwill	14,090	12,727
Software	122,283	110,965
Other	3,209	3,209
Total intangible assets	139,583	126,902
Investments and other assets		
Investment securities	566,613	600,470
Deferred tax assets	56,634	890
Other	467,985	470,867
Allowance for investment loss	(4,900)	(4,900)
Allowance for doubtful accounts	(4,956)	(4,956)
Total investments and other assets	1,081,375	1,062,372
Total non-current assets	1,359,597	1,326,021
Total assets	5,531,569	5,386,077
Liabilities		
Current liabilities		
Notes and accounts payable–trade	9,646	9,695
Short-term borrowings	100,000	100,000
Income taxes payable	284,892	65,602
Other	459,577	631,436
Total current liabilities	854,116	806,735
Non-current liabilities		
Provision for share-based payments	24,017	24,017
Total non-current liabilities	24,017	24,017
Total liabilities	878,134	830,752

	(Thousands of yen)	
	Previous fiscal year (As of March 31, 2023)	Current quarter (As of June 30, 2023)
Net assets		
Shareholders' equity		
Share capital	1,092,450	1,092,450
Capital surplus	57,960	57,960
Retained earnings	4,610,992	4,485,845
Treasury shares	(1,155,570)	(1,155,570)
Total shareholders' equity	4,605,832	4,480,684
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	47,603	74,640
Total accumulated other comprehensive income	47,603	74,640
Total net assets	4,653,435	4,555,325
Total liabilities and net assets	5,531,569	5,386,077

(2) Quarterly Consolidated Statements of Income and Comprehensive Income**Quarterly Consolidated Statement of Income
For the Three-month period**

(Thousands of yen)

	Three-month period ended June 30, 2022	Three-month period ended June 30, 2023
Net sales	1,175,584	1,114,342
Cost of sales	336,470	356,507
Gross profit	839,114	757,835
Selling, general and administrative expenses	428,939	428,755
Operating profit	410,174	329,079
Non-operating income		
Interest income	0	5,173
Dividend income	–	1,132
Foreign exchange gains	–	45,870
Other	240	899
Total non-operating income	240	53,076
Non-operating expenses		
Interest expenses	186	162
Share related expenses	2,759	2,934
Commission expenses	2,420	2,425
Share of loss of entities accounted for using the equity method	5,012	5,112
Other	4	1
Total non-operating expenses	10,382	10,637
Ordinary profit	400,031	371,519
Extraordinary losses		
Loss on retirement of non-current assets	0	0
Total extraordinary losses	0	0
Net income before income taxes	400,031	371,519
Income taxes–current	94,737	89,070
Income taxes–deferred	44,641	43,810
Total income taxes	139,378	132,881
Net income	260,653	238,637
Net income attributable to owners of the parent	260,653	238,637

Quarterly Consolidated Statement of Comprehensive Income
For the Three-month period

	(Thousands of yen)	
	Three-month period ended June 30, 2022	Three-month period ended June 30, 2023
Net income	260,653	238,637
Other comprehensive income		
Valuation difference on available-for-sale securities	5,023	27,037
Total other comprehensive income	5,023	27,037
Comprehensive income	265,676	265,675
Comprehensive income attributable to		
Owners of the parent	265,676	265,675
Non-controlling interests	-	-

(3) Notes to Quarterly Consolidated Financial Statements**Segment Information**

I. For the three-month period ended June 30, 2022

1. Disclosure of net sales and profit (loss) for each reportable segment

(Thousands of yen)

	Reportable segments				Total
	Communication Business	Data Providing Business	Mobile Business	Subtotal	
Net sales					
Sales to external customers	911,715	164,280	99,588	1,175,584	1,175,584
Intersegment sales or transfers	21,000	–	–	21,000	21,000
Total	932,715	164,280	99,588	1,196,584	1,196,584
Segment profit	610,947	56,781	38,076	705,804	705,804

2. Reconciliation of total segment profit of reportable segments with operating profit on the quarterly consolidated statement of income

(Thousands of yen)

Profit	Amount
Total segment profit of reportable segments	705,804
Amortization of goodwill	(1,363)
Corporate expenses (Note)	(294,266)
Operating profit on the quarterly consolidated statement of income	410,174

Note: Corporate expenses are mainly general and administrative expenses that are not attributable to any reportable segments.

II. For the three-month period ended June 30, 2023

1. Disclosure of net sales and profit or loss for each reportable segment

(Thousands of yen)

	Reportable segments				Total
	Communication Business	Data Providing Business	Mobile Business	Subtotal	
Net sales					
Sales to external customers	858,725	166,212	89,405	1,114,342	1,114,342
Intersegment sales or transfers	21,000	–	–	21,000	21,000
Total	879,725	166,212	89,405	1,135,342	1,135,342
Segment profit	533,416	61,662	30,718	625,797	625,797

2. Reconciliation of total segment profit of reportable segments with operating profit on the quarterly consolidated statement of income

(Thousands of yen)

Profit	Amount
Total segment profit of reportable segments	625,797
Amortization of goodwill	(1,363)
Corporate expenses (Note)	(295,354)
Operating profit on the quarterly consolidated statement of income	329,079

Note: Corporate expenses are mainly general and administrative expenses that are not attributable to any reportable segments.

Revenue Recognition

Disaggregation of revenue from contracts with customers

I. For the three-month period ended June 30, 2022

(Thousands of yen)

	Reportable segments				Total
	Communication Business	Data Providing Business	Mobile Business	Subtotal	
Customer Satisfaction Research	522,326	–	–	522,326	522,326
News & Media	389,389	–	–	389,389	389,389
Data Providing	–	164,280	–	164,280	164,280
Mobile Content Subscription Services	–	–	99,588	99,588	99,588
Revenue from contracts with customers	911,715	164,280	99,588	1,175,584	1,175,584
Other revenue	–	–	–	–	–
Sales to external customers	911,715	164,280	99,588	1,175,584	1,175,584

II. For the three-month period ended June 30, 2023

(Thousands of yen)

	Reportable segments				Total
	Communication Business	Data Providing Business	Mobile Business	Subtotal	
Customer Satisfaction Research	474,923	–	–	474,923	474,923
News & Media	383,802	–	–	383,802	383,802
Data Providing	–	166,212	–	166,212	166,212
Mobile Content Subscription Services	–	–	89,405	89,405	89,405
Revenue from contracts with customers	858,725	166,212	89,405	1,114,342	1,114,342
Other revenue	–	–	–	–	–
Sales to external customers	858,725	166,212	89,405	1,114,342	1,114,342