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October.29.2021

## Consolidated Financial Results for the Six Months Ended September.30.2021 (Japanese GAAP)

Company name: Prestige International Inc.  
 Listing: Tokyo Stock Exchange First Section  
 Securities code: 4290  
 URL: <http://www.prestigein.com/>  
 Representative: Shinichi Tamagami, President and Representative Director  
 Inquiries: Tsutomu Yoshizawa, Senior manager  
 Telephone: +81-3-5213-0826  
 Scheduled date to file quarterly securities report: November, 11 2021  
 Scheduled date to commence dividend payments: December, 6 2021

Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results briefing: Yes(for institutional investors and analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

### 1. Consolidated financial results for the six months ended September 30, 2021 (from April 1 2021to September 30, 2021)

#### (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, 2021	22,293	12.9	3,063	17.3	3,136	19.2	1,853	19.0
September ,30, 2020	19,739	△4.6	2,611	8.0	2,629	1.3	1,558	16.2

(Note) Comprehensive income For the six months ended September ,30, 2021: ¥2,091 million [14.7%]  
 For the six months ended September ,30, 2020: ¥1,824 million [40.5%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September ,30, 2021	14.46	14.39
September ,30, 2020	12.17	12.10

(Note) Since “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29), etc. have been applied from the six months ended September 30, 2021, the above amounts of consolidated financial results reflect the application of the accounting standard.

#### (2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
September ,30, 2021	50,204	34,271	64.0
March,31, 2021	46,755	32,888	66.1

Reference: Equity  
 As of September ,30, 2021: ¥32,148 million  
 As of March,31, 2021: ¥30,918 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, 2021	—	3.50	—	3.50	7.00
Fiscal year ending March 31, 2022	—	4.00			
Fiscal year ending March 31, 2022 (Forecast)			—	4.00	8.00

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

## 3. Forecast of consolidated financial results for the year ending March 31, 2022

	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	45,000	10.8	6,350	21.3	6,550	20.1	3,600	21.3	28.09

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

\*Note:

- (1) Changes in significant subsidiaries during the six months ended September 30, 2021: 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 September 30, 2021	128,178,800 shares	As of March 31, 2021	128,131,800 shares
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Number of treasury shares at the end of the period

As of September 30, 2021	708 shares	As of March 31, 2021	708 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

As of September 30, 2021	128,146,492 shares	As of September 30, 2020	128,042,025 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, 2021	As of September 30, 2021
<b>Assets</b>		
Current assets		
Cash and deposits	16,310,272	16,741,311
Notes and accounts receivable - trade	4,027,637	—
Notes and accounts receivable - trade, and contract assets	—	4,369,596
Merchandise and finished goods	34,324	47,716
Work in process	109,316	147,041
Raw materials and supplies	70,654	68,125
Other	7,346,609	8,046,948
Allowance for doubtful accounts	△623,651	△705,264
Total current assets	27,275,163	28,715,475
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	9,777,982	9,618,240
Other, net	1,456,838	2,799,708
Total property, plant and equipment	11,234,820	12,417,948
Intangible assets		
Other	1,439,807	1,652,338
Total intangible assets	1,439,807	1,652,338
Investments and other assets		
Investment securities	5,947,399	6,532,629
Other	930,865	957,738
Allowance for doubtful accounts	△72,265	△71,805
Total investments and other assets	6,806,000	7,418,562
Total non-current assets	19,480,628	21,488,848
Total assets	46,755,792	50,204,324

(Thousands of yen)

	As of March 31, 2021	As of September 30, 2021
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	1,042,946	1,089,339
Short-term borrowings	250,000	1,250,000
Income taxes payable	1,117,442	1,130,750
Provision for bonuses	742,044	858,232
Reserve for fulfillment of guarantees	102,263	117,815
Asset retirement obligations	1,914	—
Other	8,201,918	9,213,100
Total current liabilities	11,458,529	13,659,239
Non-current liabilities		
Long-term borrowings	250,000	125,000
Retirement benefit liability	7,356	8,514
Asset retirement obligations	1,659,018	1,674,933
Other	492,026	465,613
Total non-current liabilities	2,408,400	2,274,061
Total liabilities	13,866,930	15,933,301
<b>Net assets</b>		
Shareholders' equity		
Share capital	1,502,742	1,518,913
Capital surplus	2,772,011	2,788,182
Retained earnings	25,561,466	26,694,293
Treasury shares	△248	△248
Total shareholders' equity	29,835,971	31,001,140
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	507,301	560,302
Foreign currency translation adjustment	575,026	587,464
Total accumulated other comprehensive income	1,082,327	1,147,766
Share acquisition rights	153,375	188,207
Non-controlling interests	1,817,187	1,933,909
Total net assets	32,888,861	34,271,023
Total liabilities and net assets	46,755,792	50,204,324

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

(Thousands of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Net sales	19,739,429	22,293,465
Cost of sales	15,264,936	17,118,955
Gross profit	4,474,492	5,174,509
Selling, general and administrative expenses	※ <sup>1</sup> 1,863,078	※ <sup>1</sup> 2,110,749
Operating profit	2,611,414	3,063,759
Non-operating income		
Interest income	2,851	1,240
Interest on securities	62,991	77,866
Dividend income	5,617	6,213
Share of profit of entities accounted for using equity method	6,324	23,027
Other	17,300	12,209
Total non-operating income	95,086	120,557
Non-operating expenses		
Interest expenses	1,065	1,615
Foreign exchange losses	31,743	9,991
Employment of People with Disabilities payment	18,868	17,550
Consumption Taxes Ajustment	18,113	15,710
Other	6,812	3,326
Total non-operating expenses	76,603	48,192
Ordinary profit	2,629,897	3,136,124
Extraordinary income		
Gain on sale of non-current assets	※ <sup>2</sup> 8,220	※ <sup>2</sup> 548
Subsidy income	1,475	1,594
Total extraordinary income	9,695	2,143
Extraordinary losses		
Loss on sale of non-current assets	※ <sup>3</sup> 67	※ <sup>3</sup> 21
Loss on retirement of non-current assets	—	※ <sup>4</sup> 31,894
Impairment losses	—	※ <sup>5</sup> 366
Other	1,475	1,594
Total extraordinary losses	1,542	33,877
Profit before income taxes	2,638,049	3,104,391
Income taxes - current	880,266	1,098,610
Income taxes - deferred	28,738	△19,294
Total income taxes	909,005	1,079,316
Profit	1,729,044	2,025,074
Profit attributable to non-controlling interests	171,027	171,584
Profit attributable to owners of parent	1,558,017	1,853,490

## (Consolidated Statement of Comprehensive Income)

(Thousands of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Profit	1,729,044	2,025,074
Other comprehensive income		
Valuation difference on available-for-sale securities	150,967	54,368
Foreign currency translation adjustment	△55,760	12,437
Total other comprehensive income	95,206	66,806
Comprehensive income	1,824,251	2,091,881
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,649,673	1,918,929
Comprehensive income attributable to non-controlling interests	174,578	172,951

## (3) Consolidated Statement of Cash Flows

(Thousands of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Cash flows from operating activities		
Profit before income taxes	2,638,049	3,104,391
Depreciation	528,190	680,565
Increase (decrease) in allowance for doubtful accounts	15,873	81,195
Increase (decrease) in provision for bonuses	75,149	116,121
Increase (decrease) in Reserve for fulfillment of guarantees	△12,276	15,552
Interest and dividend income	△71,460	△85,320
Loss (gain) on sale of property, plant and equipment and intangible assets	△8,152	△527
Interest expenses	1,065	1,615
Foreign exchange losses (gains)	39,808	30,573
Share of loss (profit) of entities accounted for using equity method	△6,324	△23,027
Subsidy income	△1,475	△1,594
Loss on tax purpose reduction entry of non-current assets	1,475	1,594
Loss on retirement of non-current assets	5,851	31,931
Impairment losses	—	366
Decrease (increase) in trade receivables	655,443	△342,456
Decrease (increase) in inventories	△140,647	△48,688
Decrease (increase) in other assets	362,883	△700,547
Increase (decrease) in trade payables	△244,861	43,136
Increase (decrease) in other liabilities	756,552	1,025,786
Increase (decrease) in accrued consumption taxes	△1,211,732	△133,461
Other, net	49,349	42,549
Subtotal	3,432,762	3,839,757
Income taxes paid	△1,397,497	△1,051,706
Interest and dividends received	77,300	96,797
Interest paid	△1,064	△1,612
Net cash provided by (used in) operating activities	2,111,500	2,883,235

(Thousands of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	△1,994,706	△2,347,727
Proceeds from sale of property, plant and equipment and intangible assets	8,589	593
Purchase of investment securities	△786,326	△540,609
Loan advances	△6,527	△480
Proceeds from collection of loans receivable	4,767	3,377
Payments of guarantee deposits	△19,732	△63,181
Proceeds from refund of guarantee deposits	9,729	33,405
Subsidies received	387,267	35,177
Payments into time deposits	△13,908	△13,982
Proceeds from withdrawal of time deposits	46,259	13,720
Other, net	△34,832	△1,414
Net cash provided by (used in) investing activities	△2,399,422	△2,881,121
Cash flows from financing activities		
Proceeds from short-term borrowings	—	1,000,000
Repayments of long-term borrowings	△125,000	△125,000
Proceeds from issuance of shares	—	32,007
Dividends paid	△447,875	△446,342
Dividends paid to non-controlling interests	△50,307	△56,229
Repayments of lease obligations	△16,085	△19,890
Proceeds from exercise of employee share options	11,370	332
Net cash provided by (used in) financing activities	△627,898	384,877
Effect of exchange rate change on cash and cash equivalents	△83,846	△10,235
Net increase (decrease) in cash and cash equivalents	△999,665	376,756
Cash and cash equivalents at beginning of period	17,036,941	16,291,368
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	50,411	54,224
Cash and cash equivalents at end of period	※1 16,087,687	※1 16,722,349