

Note: This document is a translation of the original Japanese version and provided for reference purposes only. In the event of any discrepancy between the Japanese original and this English translation, the Japanese original shall prevail.

Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 [Japanese GAAP]

May 15, 2023

Company name OPTiM CORPORATION Stock exchange listing Tokyo
Code number 3694 URL <https://www.optim.co.jp/>
Representative (Job title) President (Name) Shunji Sugaya
Contact (Job title) Board Director of Administration (Name) Akihiro Hayashi (TEL)03-6435-8570
Scheduled date of the Ordinary General Meeting of Shareholders June 29, 2023 Scheduled date of commencing dividend payments -
Scheduled date of securities report submission June 30, 2023
Availability of supplementary briefing materials on financial results : Yes
Schedule of financial results briefing session : Yes (For institutional investors and securities analysts)

(Amounts of less than one million yen are rounded down)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (April 1, 2022 to March 31, 2023)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2023	9,277	11.6	1,750	14.0	1,634	10.1	962	2.0
Fiscal year ended March 31, 2022	8,310	10.5	1,534	(15.2)	1,485	(25.7)	943	(23.8)

(Note) Comprehensive income Fiscal year ended March 31, 2023 940 Million yen (4.9 %)
Fiscal year ended March 31, 2022 896 Million yen (-30.8 %)

	Basic earnings per share	Diluted earnings per share	Return on equity	Return on assets	Operating profit ratio
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2023	17.49	17.37	17.1	21.0	18.9
Fiscal year ended March 31, 2022	17.14	17.02	20.0	21.8	18.5

(Reference) Equity in net income of affiliates Fiscal year ended March 31, 2023 -116 Million yen
Fiscal year ended March 31, 2022 -69 Million yen

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net asset per share
	Million yen	Million yen	%	Yen
As of March 31, 2023	8,219	6,189	74.2	110.76
As of March 31, 2022	7,387	5,248	69.8	93.68

(Reference) Equity As of March 31, 2023 6,097 Million yen As of March 31, 2022 5,157 Million yen

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended March 31, 2023	2,313	(1,651)	(199)	1,440
Fiscal year ended March 31, 2022	698	(1,666)	493	979

2. Dividends

	Annual dividends					Total dividends (Total)	Dividend payout ratio (Consolidated)	Dividend on equity (Consolidated)
	1st quarter end	2nd quarter end	3rd quarter end	Year-end	Total			
Fiscal year ended March 31, 2022	Yen -	Yen 0.00	Yen -	Yen 0.00	Yen 0.00	Million yen -	% -	% -
Fiscal year ended March 31, 2023	Yen -	Yen 0.00	Yen -	Yen 0.00	Yen 0.00	Million yen -	% -	% -
Fiscal year ending March 31, 2024 (Forecast)	Yen -	Yen -	Yen -	Yen -	Yen -	Million yen -	% -	% -

(Note) The dividend forecast for the fiscal year ending March 31, 2024 is currently undecided.

3. Consolidated Financial Results Forecasts for the Fiscal Year Ending March 31, 2024 (April 1, 2023 to March 31, 2024)

(% indicates changes from the previous corresponding period.)

	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	10,205	10.0	1,939	10.8	1,805	10.4	1,106	14.9	20.09

* Notes

(1) Changes in significant subsidiaries during the fiscal year ended March 31, 2023 (Changes in specified subsidiaries resulting in changes in the scope of consolidation): No

New: – (Company name:), Exclusion: – (Company name:)

(2) Changes in accounting policies, changes in accounting estimates and retrospective restatements

1) Changes in accounting policies due to the revision of accounting standards : No

2) Changes in accounting policies other than due to 1) above : No

3) Changes in accounting estimates : No

4) Retrospective restatement : No

(3) Total number of issued shares (common shares)

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

March 31, 2023	55,143,968 shares	March 31, 2022	55,139,520 shares
----------------	-------------------	----------------	-------------------

2) Total number of treasury shares at the end of the period

March 31, 2023	94,260 shares	March 31, 2022	89,348 shares
----------------	---------------	----------------	---------------

3) Average number of shares during the period

March 31, 2023	55,050,340 shares	March 31, 2022	55,044,723 shares
----------------	-------------------	----------------	-------------------

(Reference) Summary of Non-Consolidated Financial Results

1. Non-Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (From April 1, 2022 to March 31, 2023)

(1) Non-Consolidated Operating Results

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2023	9,044	13.4	1,776	15.9	1,780	14.3	1,000	(1.3)
Fiscal year ended March 31, 2022	7,976	7.9	1,532	(14.5)	1,557	(21.9)	1,013	(17.9)
	Basic earnings per share		Diluted earnings per share					
	Yen		Yen					
Fiscal year ended March 31, 2023	18.17		18.05					
Fiscal year ended March 31, 2022	18.40		18.27					

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net asset per share
	Million yen	Million yen	%	Yen
As of March 31, 2023	8,218	6,207	75.5	112.76
As of March 31, 2022	7,313	5,229	71.5	94.99

(Reference) Equity As of March 31, 2023 6,207 Million yen As of March 31, 2022 5,229 Million yen

* The financial statements are not subject to a review by a certified public accountant or audit firm.

* Proper use of the financial results forecasts and other special notes

The forward-looking statements, including the financial results forecasts, contained in this document are based on information currently available to the Company and on certain assumptions deemed reasonable by the Company, and they are not intended as a promise by the Company that they will be achieved. Actual results may differ materially due to a variety of factors.

○ Table of contents of attached documents

1. Summary of Operating Results, etc.....	5
(1) Summary of Operating Results for the Current Fiscal Year	5
(2) Summary of Financial Position for the Current Fiscal Year	6
(3) Summary of Cash Flows for the Current Fiscal Year	7
(4) Future Outlook	7
2. Basic Approach to the Selection of Accounting Standards.....	8
3. Consolidated Financial Statements and Major Notes	9
(1) Consolidated Balance Sheets	9
(2) Consolidated Statements of Income and Comprehensive Income.....	11
(3) Consolidated Statement of Changes in Equity	13
(4) Consolidated Statement of Cash Flows.....	15
(5) Notes on Consolidated Financial Statements	17
(Notes ongoing concern assumptions)	17
(Segment information, etc.).....	17
(Per share information)	19
(Significant subsequent events).....	19

1. Summary of Operating Results, etc.

(1) Summary of Operating Results for the Current Fiscal Year

During the current consolidated fiscal year, the Japanese economy moved toward moderate recovery, despite weakness shown in some sectors.

In this market environment, the Group enjoyed continued growth in sales of licenses, represented by Optimal Biz, and has focused on strengthening development of killer services and pursuing continued investment in growth in order to boost the level of highly profitable stock sales and maintain stable growth in the future, as well as on promoting sales of services utilizing its powerful sales network. This has resulted in the reinforcement of product functions and development of new products, such as the smartphone 3D surveying system OPTiM Geo Scan, the AI-based contract management service OPTiM Contract, "Pinpoint Time Spraying" service that optimizes pest control, the marketing DX service OPTiM Digital Marketing and online healthcare platform, during the current fiscal year. The development of these products not only contributed to the increase in the number of licenses for these various services during the current fiscal year but also is expected to foster growth in license sales in the future.

Examples of actual progress made by the Group during the current fiscal year are as follows.

The Group has been conducting businesses by promoting two types of DX (*1), classified as Corporate DX for digitalization to improve and streamline internal operations and Industrial DX for digitalization to create businesses using digital technology, and by continuing to make aggressive investments for growth to develop new markets.

First, we would like to report on the status of Corporate DX.

The COVID pandemic has made teleworking the new standard way to work, leading to the increased demand for Optimal Biz for business use to manage PCs and smartphones, as well as in security measures for such devices. This resulted in the increase in the number of licenses.

Additionally, the number of licenses for OPTiM Contract service for AI-based contract management have grown, due to its capability to handle the acquisition of JIIMA certification (Certification system of Legal Requirements for Electronic Transaction Software (*2)), as well as other functions that promote closer coordination with various digital contract services.

The next section provides the status of Industrial DX.

In the agricultural field, the Company is currently selling "Smart Rice 2023," rice grown for greater food safety with the use of AI and drones in order to curb the use of pesticides and harvested in the fiscal year that ended March 2023. Its sales are growing steadily at our own online store Smart Agri Food (nicknamed Suma-choku), Amazon and other websites. Furthermore, "Pinpoint Time Spraying" service is being implemented by conducting digital analysis of each field to enable pest control at the right time. Use of the service is spreading in various parts of Japan.

In the construction field, introduction of an added feature to the smartphone 3D surveying app OPTiM Geo Scan has enabled creation of diagram data (diagram production) used in the production of plan view, longitudinal and cross-sectional diagrams from survey data. The new feature is made available as the OPTiM Geo Design app. Through improvement in productivity at construction sites with additional options and its possible application on public projects that comply with the Ministry of Land, Infrastructure, Transport and Tourism's 3D measurement technology-based finished shape management guidelines, OPTiM Geo Scan is enjoying steady growth in license sales.

In the healthcare field, the Company offers a platform to SOGO MEDICAL CO., LTD. that combines features such as OPTiM Digital Marketing for customer management and online medication instruction on the online healthcare platform. Sogo Medical has started service with its official healthcare app "Tayorisu" with this platform and is expected to widen its application to the roughly 740 stores that the company manages nationwide (*3). Additionally, business projects in healthcare field in cooperation with Sysmex Corporation and Mediaroid Corporation are making steady progress. In the 4th quarter, license sales began in earnest for the network support system MINS for Mediaroid's hinotori™ Surgical Robot System, a robotic-assisted surgery system, contributing to increase in operating profits, etc.

As a result of these activities, consolidated operating results for the current fiscal year were as follows: net sales of 9,277,366,000 yen (up 11.6% year on year), operating profit of 1,750,121,000 yen (up 14.0% year on year), ordinary profit of 1,634,990,000 yen (up 10.1% year on year), and profit attributable to owners of parent of 962,761,000 yen (up 2.0% year on year).

- *1 DX: Digital transformation. The concept is that the penetration of IT will change people's lives for the better in all aspects, meaning that companies will use technology to fundamentally change the performance and scope of their business.
- *2 Certification system of Legal Requirements for Electronic Transaction Software: Japan Image and Information Management Association (JIIMA) checks whether commercial software and software services that store transaction information when national tax-related documents are prepared by computer and exchanged electronically meet the requirements of Article 7 of the revised Electronic Bookkeeping Law, and certifies those that are determined to meet the legal requirements.
- *3 Source: Announcement by SOGO MEDICAL CO., LTD. dated February 7, 2023.

(2) Summary of Financial Position for the Current Fiscal Year

(Assets)

The balance of assets at the end of the current consolidated fiscal year was 8,219,451,000 yen, an increase of 831,973,000 yen from the end of the previous consolidated fiscal year. This is due to increase in software of 527,482,000 yen and in cash and deposits of 461,461,000 yen while leaseholds and guarantee deposits decreased of 214,593,000 yen.

(Liabilities)

The balance of total liabilities at the end of the current consolidated fiscal year was 2,030,141,000 yen, a decrease of 108,532,000 yen from the end of the previous consolidated fiscal year. This was mainly due to a 200,000,000 yen decrease in short-term borrowings.

(Net assets)

The balance of net assets at the end of the current consolidated fiscal year was 6,189,309,000 yen, an increase of 940,506,000 yen from the end of the previous consolidated fiscal year. This was mainly due to an increase of 962,761,000 yen in retained earnings resulting from profit attributable to owners of parent.

(3) Summary of Cash Flows for the Current Fiscal Year

Cash and cash equivalents (hereinafter referred to as "funds") at the end of the current consolidated fiscal year increased by 461,461,000 yen from the end of the previous fiscal year to 1,440,860,000 yen.

The status of cash flows and their main factors during the current fiscal year are as follows.

(Cash flows from operating activities)

Net cash provided by operating activities was 2,313,091,000 yen (698,237,000 yen provided in the same period of the previous year). This was mainly due to profit before income taxes of 1,612,024,000 yen, depreciation of 620,619,000 yen.

(Cash flows from investing activities)

Net cash used in investing activities was 1,651,715,000 yen (1,666,254,000 yen used in the same period of the previous year). This is due to the purchase of intangible assets of 1,229,243,000 yen and purchase of tangible assets of 324,360,000 yen.

(Cash Flows from Financing Activities)

Net cash used in financing activities was 199,915,000 yen (acquisition of 493,739,000 yen in the same period of the previous year). This is due to proceeds from short-term borrowings of 800,000,000 yen, alongside payment of 1,000,000,000 yen for short-term borrowings.

(4) Future Outlook

The Group's business model is based on a sales structure centered on stock-based licensing revenues. In addition, the existing markets in which we operate, including EMM and MDM, continue to expand steadily. The Company's position in this market continues to be dominant, and we expect this trend to continue in the future.

During the previous consolidated fiscal year, the Group decided on the priorities to be placed among the services currently available, designating them as killer services, and undergoing aggressive growth investment. We have seen some results from these efforts.

Reinforcement of killer service development is scheduled to continue in the next fiscal year ending March 2024, in order to level up stocks sales that enjoy a high profit rate and support stable growth in the future.

Furthermore, the Group advocates becoming a company that plays a key role in the fourth industrial revolution, and intends to flexibly and aggressively invest for growth when good investment opportunities arise during the period.

As a result of the above, for the fiscal year ending March 31, 2024, the Company forecasts net sales of 10,205 million yen (up 10.0% year-on-year), operating profit of 1,939 million yen (up 10.8% year-on-year), ordinary profit of 1,805 million yen (up 10.4% year-on-year), and profit attributable to owners of parent of 1,106 million yen (up 14.9% year-on-year).

2. Basic Approach to the Selection of Accounting Standards

For the time being, the Group's policy is to prepare consolidated financial statements in accordance with Japanese GAAP, taking into consideration the comparability of the consolidated financial statements from period to period and the comparability among companies. With respect to the application of International Financial Reporting Standards, the Group intends to take appropriate measures in consideration of various circumstances in Japan and overseas.

3. Consolidated Financial Statements and Major Notes

(1) Consolidated Balance Sheets

(1,000 yen)

	Fiscal year ended March 31, 2022 (As of March 31, 2022)	Fiscal year ended March 31, 2023 (As of March 31, 2023)
Assets		
Current assets		
Cash and deposits	979,399	1,440,860
Notes and accounts receivable - trade, and contract assets	2,277,485	2,101,357
Merchandise and finished goods	75,918	48,729
Work in process	18	3,504
Raw materials and supplies	18,065	7,311
Other	181,199	147,182
Total current assets	3,532,087	3,748,945
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	323,294	322,725
Machinery, equipment and vehicles, net	13,828	61,175
Construction in progress	6,725	—
Other, net	60,907	72,937
Total property, plant and equipment	404,754	456,839
Intangible assets		
Software	1,537,909	2,065,391
Software in progress	112,437	344,131
Other	10,578	161
Total intangible assets	1,660,924	2,409,684
Investments and other assets		
Investment securities	151,273	396,312
Shares of subsidiaries and associates	503,341	386,435
Leasehold and guarantee deposits	560,888	346,294
Deferred tax assets	512,688	399,649
Other	61,519	75,290
Total investments and other assets	1,789,710	1,603,981
Total non-current assets	3,855,390	4,470,505
Total assets	7,387,477	8,219,451

(1,000 yen)

	Fiscal year ended March 31, 2022 (As of March 31, 2022)	Fiscal year ended March 31, 2023 (As of March 31, 2023)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	599,575	512,385
Short-term borrowings	514,550	314,550
Income taxes payable	88,783	335,286
Contract liabilities	204,570	197,557
Provision for bonuses	140,957	210,712
Provision for bonuses for directors (and other officers)	23,196	31,775
Other	428,558	288,856
Total current liabilities	2,000,191	1,891,122
Non-current liabilities		
Asset retirement obligations	138,482	139,018
Total non-current liabilities	138,482	139,018
Total liabilities	2,138,674	2,030,141
Net assets		
Shareholders' equity		
Share capital	444,018	444,125
Capital surplus	728,150	728,256
Retained earnings	4,054,056	5,016,817
Treasury shares	(75,272)	(75,401)
Total shareholders' equity	5,150,952	6,113,799
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,184	(16,365)
Total accumulated other comprehensive income	6,184	(16,365)
Non-controlling interests	91,665	91,876
Total net assets	5,248,802	6,189,309
Total liabilities and net assets	7,387,477	8,219,451

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(1,000 yen)

	Fiscal year ended March 31, 2022 (From April 1, 2021 to March 31, 2022)	Fiscal year ended March 31, 2023 (From April 1, 2022 to March 31, 2023)
Net sales	8,310,717	9,277,336
Cost of sales	3,728,929	4,598,156
Gross profit	4,581,787	4,679,179
Selling, general and administrative expenses	3,047,166	2,929,057
Operating profit	1,534,621	1,750,121
Non-operating income		
Interest income	6	6
Insurance claim income	6,913	402
Subsidy income	269	3,296
Consumption tax gain	15,673	586
Other	7,611	10,116
Total non-operating income	30,474	14,409
Non-operating expenses		
Interest expenses	476	1,382
Share of loss of entities accounted for using equity method	69,786	116,906
Foreign exchange losses	124	88
Loss on investments in investment partnerships	2,647	9,790
Loss on retirement of non-current assets	6,466	977
Other	49	396
Total non-operating expenses	79,550	129,541
Ordinary profit	1,485,545	1,634,990
Extraordinary losses		
Impairment losses	—	10,267
Loss on valuation of investment securities	—	12,698
Total extraordinary losses	—	22,965
Profit before income taxes	1,485,545	1,612,024
Income taxes - current	397,733	511,670
Income taxes for prior periods	—	14,390
Income taxes - deferred	144,559	122,991
Total income taxes	542,293	649,052
Profit	943,251	962,972
Profit (loss) attributable to non-controlling interests	(309)	210
Profit attributable to owners of parent	943,561	962,761

Consolidated Statements of Income

(1,000 yen)

	Fiscal year ended March 31, 2022 (From April 1, 2021 to March 31, 2022)	Fiscal year ended March 31, 2023 (From April 1, 2022 to March 31, 2023)
Profit	943,251	962,972
Other comprehensive income		
Valuation difference on available-for-sale securities	(46,677)	(22,550)
Total other comprehensive income	(46,677)	(22,550)
Comprehensive income attributable to	896,574	940,421
Comprehensive income attributable to owners of parent	896,884	940,211
Comprehensive income attributable to non-controlling interests	(309)	210

(3) Consolidated Statement of Changes in Equity

Fiscal year ended March 31, 2022 (From April 1, 2021 to March 31, 2022)

(1,000 yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	443,749	727,880	3,110,494	(75,272)	4,206,852
Changes during period					
Issuance of new shares - exercise of share acquisition rights	269	269			539
Profit (loss) attributable to owners of parent			943,561		943,561
Acquisition of treasury shares					—
Net changes in items other than shareholders' equity					
Total changes during period	269	269	943,561	—	944,100
Balance at end of period	444,018	728,150	4,054,056	(75,272)	5,150,952

	Accumulated other comprehensive income		Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income		
Balance at beginning of period	52,861	52,861	96,175	4,355,888
Changes during period				
Issuance of new shares - exercise of share acquisition rights				539
Profit (loss) attributable to owners of parent				943,561
Acquisition of treasury shares				—
Net changes in items other than shareholders' equity	(46,677)	(46,677)	(4,509)	(51,187)
Total changes during period	(46,677)	(46,677)	(4,509)	892,913
Balance at end of period	6,184	6,184	91,665	5,248,802

Fiscal year ended March 31, 2023 (From April 1, 2022 to March 31, 2023)

(1,000 yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	444,018	728,150	4,054,056	(75,272)	5,150,952
Changes during period					
Issuance of new shares - exercise of share acquisition rights	106	106			213
Profit (loss) attributable to owners of parent			962,761		962,761
Acquisition of treasury shares				(128)	(128)
Net changes in items other than shareholders' equity					
Total changes during period	106	106	962,761	(128)	962,846
Balance at end of period	444,125	728,256	5,016,817	(75,401)	6,113,799

	Accumulated other comprehensive income		Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income		
Balance at beginning of period	6,184	6,184	91,665	5,248,802
Changes during period				
Issuance of new shares - exercise of share acquisition rights				213
Profit (loss) attributable to owners of parent				962,761
Acquisition of treasury shares				(128)
Net changes in items other than shareholders' equity	(22,550)	(22,550)	210	(22,339)
Total changes during period	(22,550)	(22,550)	210	940,506
Balance at end of period	(16,365)	(16,365)	91,876	6,189,309

(4) Consolidated Statement of Cash Flows

(1,000 yen)

	Fiscal year ended March 31, 2022 (From April 1, 2021 to March 31, 2022)	Fiscal year ended March 31, 2023 (From April 1, 2022 to March 31, 2023)
Cash flows from operating activities		
Profit before income taxes	1,485,545	1,612,024
Depreciation	492,789	620,619
Impairment losses	—	10,267
Amortization of goodwill	6,579	6,579
Increase (decrease) in provision for bonuses for directors (and other officers)	142	8,578
Increase (decrease) in provision for bonuses	5,635	69,755
Increase (decrease) in provision loss on orders received	355	(355)
Interest and dividend income	(6)	(6)
Interest expenses	476	1,382
Loss (gain) on investments in investment partnerships	2,647	9,790
Share of loss (profit) of entities accounted for using equity method	69,786	116,906
Loss (gain) on valuation of investment securities	—	12,698
Decrease (increase) in trade receivables	(470,304)	176,128
Decrease (increase) in inventories	7,374	34,457
Increase (decrease) in trade payables	(6,266)	(97,973)
Loss on retirement of non-current assets	6,466	977
Increase (decrease) in accounts payable - other	54,728	(49,594)
Increase (decrease) in accrued expenses	11,703	9,950
Increase (decrease) in accrued consumption taxes	(108,644)	69,649
Increase (decrease) in contract liabilities	(3,240)	(7,013)
Other, net	(26,167)	(3,399)
Subtotal	1,529,598	2,601,421
Interest and dividends received	6	6
Interest paid	(598)	(1,574)
Income taxes paid	(830,769)	(272,370)
Income taxes paid for prior periods	—	(14,390)
Net cash provided by (used in) operating activities	698,237	2,313,091
Cash flows from investing activities		
Purchase of property, plant and equipment	(56,295)	(324,360)
Purchase of intangible assets	(1,110,901)	(1,229,243)
Payments for asset retirement obligations	(1,500)	—
Purchase of investment securities	—	(300,030)
Purchase of shares of subsidiaries and associates	(167,027)	—
Proceeds from distributions from investment partnerships	9,200	—
Purchase of insurance funds	(9,981)	(9,981)
Payments of leasehold and guarantee deposits	(331,475)	(5,387)
Proceeds from refund of leasehold and guarantee deposits	1,331	216,654
Other	396	633
Net cash provided by (used in) investing activities	(1,666,254)	(1,651,715)

	(1,000 yen)	
	Fiscal year ended March 31, 2022 (From April 1, 2021 to March 31, 2022)	Fiscal year ended March 31, 2023 (From April 1, 2022 to March 31, 2023)
Cash flows from financing activities		
Proceeds from short-term borrowings	500,000	800,000
Repayments of short-term borrowings	(2,600)	(1,000,000)
Purchase of treasury shares	—	(128)
Dividends paid to non-controlling interests	(4,200)	—
Proceeds from issuance of shares resulting from exercise of share acquisition rights	539	213
Net cash provided by (used in) financing activities	493,739	(199,915)
Effect of exchange rate change on cash and cash equivalents	—	—
Net increase (decrease) in cash and cash equivalents	(474,277)	461,461
Cash and cash equivalents at beginning of period	1,453,676	979,399
Cash and cash equivalents at end of period	979,399	1,440,860

(5) Notes on Consolidated Financial Statements

(Notes ongoing concern assumptions)

Not applicable.

(Segment information, etc.)

[Segment information]

Since the Group's only business is the license sales and maintenance support service (Optimal) business, this information is omitted.

[Related information]

Fiscal year ended March 31, 2022 (From April 1, 2021 to March 31, 2022)

1. Information by Product and Service

(1,000 yen)

	IoT platform service	Remote management service	Support service	Other services	Total
Sales to external customers	6,922,893	778,587	114,864	494,372	8,310,717

2. Information by Region

(1) Sales

This information is omitted as sales to external customers in Japan account for more than 90% of the net sales in the consolidated statements of income.

(2) Property, Plant and Equipment

Not applicable as there is no property, plant and equipment located outside Japan.

3. Information by Major Customer

(1,000 yen)

Name of customer	Sales
KDDI CORPORATION	2,870,756

Fiscal year ended March 31, 2023 (From April 1, 2022 to March 31, 2023)

1. Information by Product and Service

(1,000 yen)

	IoT platform service	Remote management service	Support service	Other service	Total
Sales to external customers	8,074,331	692,648	110,638	399,716	9,277,336

2. Information by Region

(1) Sales

This information is omitted as sales to external customers in Japan account for more than 90% of the net sales in the consolidated statements of income.

(2) Property, Plant and Equipment

Not applicable as there is no property, plant and equipment located outside Japan.

3. Information by Major Customer

(1,000 yen)

Name of customer	Sales
KDDI CORPORATION	3,114,648

[Information on impairment losses of non-current assets by reportable segment]

Since the Group's only business is the license sales and maintenance support service (Optimal) business, this information is omitted.

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

Since the Group's only business is the license sales and maintenance support service (Optimal) business, this information is omitted.

[Information on gains on negative goodwill by reportable segment]

Not applicable.

(Per share information)

	Fiscal year ended March 31, 2022 (From April 1, 2021 to March 31, 2022)	Fiscal year ended March 31, 2023 (From April 1, 2022 to March 31, 2023)
Net assets per share	93.68 Yen	110.76 Yen
Basic earnings per share	17.14 Yen	17.49 Yen
Diluted earnings per share	17.02 Yen	17.37 Yen

(Note) 1. The basis for calculating net assets per share is as follows.

	Fiscal year ended March 31, 2022 (As of March 31, 2022)	Fiscal year ended March 31, 2023 (As of March 31, 2023)
Total net assets (1,000 yen)	5,248,802	6,189,309
Amount deducted from total net assets (1,000 yen)	91,665	91,876
Net assets related to common shares at the end of the period (1,000 yen)	5,157,137	6,097,433
Number of common shares used in the calculation of net assets per share at the end of the period (share)	55,050,172	55,049,708

2. The basis for calculating basic earnings per share and diluted earnings per share is as follows.

	Fiscal year ended March 31, 2022 (From April 1, 2021 to March 31, 2022)	Fiscal year ended March 31, 2023 (From April 1, 2022 to March 31, 2023)
Basic earnings per share		
Profit attributable to owners of parent (1,000 yen)	943,561	962,761
Amounts not attributable to common shareholders (1,000 yen)	—	—
Profit attributable to owners of the parent related to common shares (1,000 yen)	943,561	962,761
Average number of common shares during the period (share)	55,044,723	55,050,340
Diluted earnings per share		
Adjustment of profit attributable to owners of the parent (1,000 yen)	—	—
Increase in common shares (shares)	395,943	377,852
(Of which stock acquisition rights (shares))	(395,943)	(377,852)
Summary of potential stock not included in the calculation of diluted earnings per share due to the absence of dilutive effects	—	—

(Significant subsequent events)

Not applicable.