

## 1. Business Highlights for the Nine Months of 38th Business Period (Fiscal Year Ending March 31, 2022)

### (1) Qualitative Information on Consolidated Results of Operations

During the nine months ended December 31, 2021, the outlook for the Japanese economy remained uncertain due to the intermittent arrival of waves of the spread of the novel coronavirus (COVID-19) caused by the emergence of the Omicron variant, and persistent concerns about the reemergence of infection.

In society as a whole, rapid progress is being made in digitization as seen in telework, online diagnosis, and online classes (the GIGA School Program), which has further highlighted the importance of cybersecurity measure products and services that support safety and security in a digital society. Under these circumstances, in the Information Infrastructure Business, our core business, demand for our cloud-based security measure products has continued to grow strongly. In addition, the integrated security monitoring service we provide is also steadily increasing its orders, and our strategy to increase added value is bearing fruit. In the Application Services Business, we worked to expand the number of users of Personal Health Record (PHR) services for individual customers in the Medical field and accelerate our AI medical image diagnosis support services. With the aim of accelerating these efforts, the Company announced on January 21, 2022 that it would acquire PSP Corporation, a competitor of its consolidated subsidiary NOBORI Ltd., to make it a subsidiary, and subsequently merge the two subsidiaries. In addition, the CRM field, where there were concerns about delays in receiving orders in the six months ended in September 30, 2021, saw orders begin recovering in the third quarter of the current fiscal year. Demand for testing tools that ensure the quality of embedded software in automotive and other fields and IT systems for corporations is also steady.

In addition, the Company and five of its group companies plan to relocate their head offices in December 2022. The three main objectives for the relocation are: (1) to steadily execute the Medium-term Management Plan and achieve sustainable growth by strengthening group collaboration; (2) to create an office space that accommodates new ways of working by redefining the office as a place for collaboration that promotes creative activities while continuously utilizing telecommuting; and (3) to ensure the safety of employees and strengthen business continuity measures in the event of a disaster. The impact of this head office relocation on the consolidated financial results is currently being calculated. In the nine months ended December 31, 2021, impairment losses of approximately ¥180 million on non-financial assets, including those subject to asset retirement obligations for the current offices, were recorded as “other expenses” under IFRS, instead of “extraordinary losses” under Japanese GAAP. As a result, the Company reported a decrease in operating profit, but the decrease is not linked to the operating results of the normal course of business.

With a mission statement of being “the IT professional group who create a better future,” the Company announced the new Medium-term Management Plan “BEYOND THE NEW NORMAL” on May 10, 2021. In the future, as “digital” is built into every corner of society and digital transformation (DX), which reforms business models using digital technology, advances rapidly, the Company sees this rapid shift to digitization and the dramatic restructuring of industry as a new growth opportunity and aims to contribute to the creation of a sustainable society by providing services to solve social issues. The spread of COVID-19 has prompted us to shift to a new mode of life called the “New Normal.” In the new Medium-term Management Plan, we will accelerate businesses oriented toward domains that will be essential to society, incorporating an SDG perspective with an eye on the new society to come after the “New Normal.”

The new Medium-term Management Plan “BEYOND THE NEW NORMAL” states seven key strategies to be achieved while carrying on with the core business strategies of the previous Medium-term Management Plan “GO BEYOND 3.0.”

- The core business strategies (continued)
  - Strategic and accelerated promotion of cloud-related businesses
  - Pursuit of security and safety
- The seven key strategies
  - 1) Expanding portfolio of products and services

- 2) Accelerated servicization (increasing service ratio)
- 3) Utilization of data (including use of AI)
- 4) Diverse alliances/M&A (Expansion of existing business, Creation of new business)
- 5) Expanding business in the overseas market
- 6) Creation of synergies by strengthening group collaboration
- 7) Human resource development/Organizational development (including promotion of diversity)

Our Group implemented the following initiatives in accordance with the above business strategies.

◇ Information Infrastructure Business

First quarter ended June 30, 2021

- CROSS HEAD launched a remote support service for transitioning to the cloud version of Cybozu's Office.
- CROSS HEAD launched a plugin that links the workflow functions of Cybozu's Garoon with kintone.
- Awarded the "Best Distributor of the Year" from McAfee Co., Ltd.
- Started sales of Vectra AI "Cognito Platform," a next-generation network AI security product that visualizes potential threats in networks and achieves early detection by utilizing AI.

Second quarter ended September 30, 2021

- Started linking "Votiro," a file sanitization solution, with "m-FILTER," an email security product.
- CROSS HEAD began offering the "Cybozu Office Cloud Migration Pack," which remotely supports migration to the cloud version of the Cybozu Office.
- Okinawa Cross Head Co., Ltd. launched Remote Browser powered by Ericom Shield Cloud.
- Received Channel Services Delivery Excellence Award from Dell Technologies.
- Okinawa Cross Head Co., Ltd. launched "STEC on Chromebook," a one-stop service that supports remote work from software to hardware.

Third quarter ended December 31, 2021

- Signed a partner agreement with Marubeni Network Solutions Inc.
- Started sales of autonomous AI endpoint security platform "SentinelOne" – an XDR solution to achieve business continuity and TCO reduction through AI and automation.

◇ Application Services Business

First quarter ended June 30, 2021

- Medical field: NOBORI Ltd. started linking its PHR application developed in-house with MCI Screen® provided by MILLENNIA Corporation.
- CRM field: Started linking CRM system for call centers "FastHelp5" with RevComm's voice analysis AI telephone service "MiiTel."
- Software Quality Assurance field: Started sales of solutions for establishing software development infrastructure, which support CI/CD, software configuration management, and cloud infrastructure construction.
- Software Quality Assurance field: Launched a cloud version of test case management tool "TestRail."
- Business Solution field: Introduced the cloud service "tsumugino" for Yokohama Soei Junior & Senior High School, educational organization Horii Gakuen.
- Business Solution field: Introduced the cloud service "tsumugino" for Nitobe Bunka Junior & Senior High School, educational organization Nitobe Bunka Gakuen.
- Business Solution field: Development Bank of Japan Inc. adopted TECHMATRIX's "FINCAD CVA Measurement Service."
- CASAREAL, Inc. participated in the business partner program of NPO LPI-Japan.

Second quarter ended September 30, 2021

- CRM field: Entered into a capital and business alliance with WISESIGHT (THAILAND) CO., LTD., the largest social data analysis cloud provider in Thailand, accelerating the expansion of CRM solutions business in the ASEAN region.
- CRM field: Began linking “FastHelp5,” a CRM system for call centers, with “BlueBean,” a cloud-based call center system of SOFTSU Co., Ltd.
- Software Quality Assurance field: Began providing software testing support and verification services.
- Software Quality Assurance field: Launched “Jtest 2021.1,” a Java-enabled testing automation tool.
- Software Quality Assurance field: The latest Version 9.5 of “Ranorex Japanese version,” a UI testing automation tool with powerful object recognition capabilities, became available.
- Software Quality Assurance field: Launched the Japanese version of “Understand 6,” a high-speed source code analysis tool.
- Business Solution field: Received certification as a Google for Education Build partner.

Third quarter ended December 31, 2021

- Software Quality Assurance field: Launched the latest Japanese version 7.0.1 of test case management tool “TestRail.”
- Business Solution field: Began offering a new product of the Apreccia series, “Market-based Loan Management System,” to respond to the abolition of LIBOR.
- Business Solution field: Apreccia4 adopted by Shinkin Securities Co., Ltd. began operation on a commercial basis, achieving efficiency and cost reduction in its fixed income front office and structured bond management operations.
- Business Solution field: Signed a reseller partner agreement for “tsumugino” with SYNEX Japan Corporation.
- Business Solution field: “tsumugino”, a cloud service for educational institutions, won the second prize of the ASPIC IoT / AI / Cloud Award 2021.
- CASAREAL, Inc. formed an alliance with CTC TECHNOLOGY Corporation to jointly develop and sell a human resource development program in the cloud-native and DevOps fields.

As a result of the above, revenue during the nine months ended December 31, 2021 increased ¥ 2,938 million (13.3%) year on year to ¥25,098 million, achieving a record high. Gross profit increased ¥558 million (7.0%) year on year to ¥8,600 million. Selling, general and administrative expenses increased ¥505 million (9.2%) year on year to ¥5,997 million due to an increase in personnel expenses, an increase in expenses for participation in large-scale exhibitions, which had been curtailed due to the cancellation of exhibitions in the previous fiscal year, and an increase in selling, general and administrative expenses due to proactive investments in the education field, a new business. Notably, the Group recorded head office relocation expenses as impairment losses of approximately ¥180 million on non-financial assets, including those subject to asset retirement obligations for the current offices, as “other expenses” under IFRS, instead of “extraordinary losses” under Japanese GAAP. Accordingly, operating profit decreased ¥140 million (5.5%) year on year to ¥2,416 million.

Consequently, profit before tax decreased ¥147 million (5.8%) year on year to ¥2,404 million, and profit attributable to owners of parent decreased ¥120 million (7.1%) year on year to ¥ 1,569 million.

Results by operating segment were as follows:

#### 1) Information Infrastructure Business

Results of the Information Infrastructure Business for the nine months ended December 31, 2021 were strong thanks to abundant order backlog accumulated in the previous fiscal year and orders for new large-scale projects. Orders are on the increase for cloud security measure products with subscription-based pricing models.

Sales in western Japan have also remained strong from the previous fiscal year. Consolidated orders received, revenue, and operating profit for the nine months ended December 31, 2021 exceeded the budgeted amounts set at the beginning of the fiscal year. By product, with regard to the mainstay next-generation firewalls, demand for cloud-based services is rapidly expanding. Large-scale orders for swift development of a remote working environment and for centralization of security measures in various business locations have contributed to expansion of the business. Storage products for media and entertainment industries also showed steady results.

Orders and revenue in integrated security operation and monitoring services also showed a clear trend toward expansion. In addition, a new generation of security measure products, including “Cloud Access Security Broker (CASB)” that supports security for the era of the cloud, “Secure Access Service Edge (SASE),” “Cyber Hygiene,” and “Software Defined Perimeter (SDP)” are also attracting attention with an increase in adoption.

At CROSS HEAD, sales were in line with the plan, but operating profit was slightly below the plan. Orders for infrastructure construction projects are on a recovery trend, but the company still faces the challenge of securing technical resources as its sales are concentrated in the fourth quarter. In addition, the outlook for equipment procurement is somewhat uncertain due to the shortage of semiconductors.

At Okinawa Cross Head Co., Ltd., operating profit was well above the plan with strong sales of its proprietary products and services.

As a result, revenue of the business increased ¥2,650 million (17.7%) year on year to ¥17,604 million, achieving a record high, while operating profit increased ¥158 million (8.3%) year on year to ¥2,076 million.

## 2) Application Services Business

With regard to the results of the Application Services Business for the nine months ended December 31, 2021, orders were solid except in the CRM field. The increase in revenue was limited, as a result of postponing the recording of sales due to sluggishness in orders in the CRM field that continued until the end of the second quarter of the current fiscal year and the effect of deferred sales from the increase in subscription-based licenses in the CRM and Software Quality Assurance fields; however, the results of consolidated subsidiaries in this business segment were generally favorable. With an increase in promotional expenses from participating in exhibitions, etc., upfront investments in the Education field, a new business, and other factors, consolidated operating profit paled in comparison to figures from the previous fiscal year.

In the Medical field, orders for “NOBORI,” a cloud service for Medical information offered by NOBORI Ltd., a medical-related consolidated subsidiary, have remained strong, and the cumulative number of contracting facilities increased. In addition, service contracts with existing users have been renewed without exception. Meanwhile, upfront investments are continuing in projects such as the development of PHR services targeted at consumers (patients) and the joint development of medical image diagnostic support systems in conjunction with AI venture companies and doctors, and they have achieved strong results. Another medical-related consolidated subsidiary, Ichigo LLC, exceeded its initial plan for the current fiscal year and maintained solid performance. With regard to A-Line Co., Ltd., the ministerial ordinance to partially revise the Enforcement Regulation on the Medical Care Act concerning the Safety Management System for Medical Radiation has already been enforced. However, audits by supervisory authorities have not progressed due to COVID-19, so the willingness of medical institutions to invest in the adoption of a radiation dose management system is generally not as strong as expected. As a result, orders have been somewhat sluggish, but as it is a subscription-based business, sales and profits have generally progressed as planned.

In the CRM field, new inquiries were steady thanks to enhanced competitiveness from entry of the next-generation products and functionally enhanced FAQ systems into the market, business collaborations with a major system integrator and telemarketing vendor, expanding demand for cloud services, improved name recognition, and the expansion of business performance. Delays in the timing of orders were observed until the second quarter, but we were able to catch up with the plan for the current fiscal year with orders recovering to a level exceeding the results for the previous fiscal year, due to a significant recovery in orders in the third quarter. Though delays in the timing of orders are decreasing, the Company must further increase orders. In addition, we

will work to accelerate business development in the ASEAN market based on the capital and business alliance with WISESIGHT (THAILAND) CO., LTD., the largest company in the social data analysis cloud field in Thailand.

In the Software Quality Assurance field, although results were impacted by the slowdown in investment in the manufacturing industry due to the spread of COVID-19 in the previous fiscal year, investment has trended toward recovery since the first quarter of the current fiscal year. In addition, with the further application of IT in automobiles, there was a strong need for improvement in the quality of embedded software in the manufacturing industry, etc., which develops in-vehicle software, and thus the field continued to maintain a favorable order-taking environment. However, growth of revenue and operating profit tended to be limited as orders of subscription-based licenses are increasing and sales are deferred based on contract periods.

In the Business Solution field, orders for system development projects were robust for public academic institutions, one of our existing customers. In the field of risk management for financial institutions, we are steadily capturing development demand to accommodate the abolition of LIBOR. On the other hand, due to the occurrence of unprofitable projects, the Company remained in a severe situation in terms of profit until the end of the second quarter, but the profitability has been improving since the third quarter.

Information Design & Architecture Yamazaki Co., Ltd. has been performing above the plan in both sales and profits. The provision of face-to-face training in the IT technology training business of CASAREAL, Inc. continued to be negatively impacted by COVID-19, but the performance of the contracted development division and consulting services specializing in cloud-related technologies remained solid. As a result, both sales and profits exceeded the plan.

As for education services, a new business, we are continuing to make proactive investments in line with plans, such as significantly strengthening sales and marketing activities to fully launch business from the outset, and this is a factor that is lowering the profit level of the Application Services Business.

As a result, revenue of the business increased ¥287 million (4.0%) year on year to ¥7,493 million, achieving a record high, while operating profit decreased ¥298 million (46.8%) year on year to ¥339 million. The main reasons for this were proactive investments in education services, a new business, a reactionary drop in demand for renewal in the CRM business, which had continued through the previous fiscal year, and the occurrence of unprofitable projects in the Business Solution business.

## (2) Qualitative Information on Consolidated Financial Position

Current assets increased ¥4,398 million (14.1%) from March 31, 2021 to ¥35,568 million as of December 31, 2021. The principal factor in this change was an increase of ¥4,250 million in advance payments to suppliers. Non-current assets stood at ¥8,177 million, a decrease of ¥649 million (7.4%) from March 31, 2021. The principal factor in this change was an ¥813 million decrease in right-of-use assets (buildings) - acquisition cost in property, plant and equipment. As a result, total assets amounted to ¥43,745 million, an increase of ¥3,749 million (9.4%) from March 31, 2021.

Current liabilities stood at ¥23,396 million, an increase of ¥4,494 million (23.8%) from March 31, 2021. The principal factor in this change was an increase of ¥4,150 million in advances received. Non-current liabilities stood at ¥3,103 million, a ¥1,635 million (34.5%) decrease from March 31, 2021. The principal factor in this change was a ¥1,452 million decrease in lease liabilities (non-current). As a result, total liabilities amounted to ¥26,500 million, an increase of ¥2,858 million (12.1%) from March 31, 2021.

Total equity was ¥17,245 million, up ¥890 million (5.4%) from March 31, 2021. The principal factor in this change was an increase of ¥814 million in retained earnings. As a result, the ratio of equity attributable to owners of parent to total assets was 35.7%.

## (3) Qualitative Information on Consolidated Financial Results Forecast and Other Forward-looking Statements

At this point, the financial results forecast is unchanged from the figures announced on May 10, 2021.

## 2. Condensed Quarterly Consolidated Financial Statements and Primary Notes

### (1) Condensed Quarterly Consolidated Statement of Financial Position

(Thousand yen)

|   | As of March 31, 2021 | As of December 31, 2021 |
|---|----------------------|-------------------------|
| Assets  |                      |                         |
| Current assets                                |                      |                         |
| Cash and cash equivalents                     | 14,634,332           | 13,596,729              |
| Trade and other receivables                   | 3,915,018            | 3,450,240               |
| Inventories                                   | 62,650               | 429,141                 |
| Advance payments to suppliers                 | 7,137,765            | 11,388,267              |
| Advance payment - cost of maintenance service | 4,572,454            | 5,333,059               |
| Other current assets                          | 847,758              | 1,371,386               |
| Total current assets                          | 31,169,979           | 35,568,824              |
| Non-current assets                            |                      |                         |
| Property, plant and equipment                 | 4,289,583            | 2,771,359               |
| Goodwill                                      | 164,903              | 164,903                 |
| Intangible assets                             | 1,473,636            | 1,566,412               |
| Other financial assets                        | 1,564,085            | 2,326,874               |
| Deferred tax assets                           | 915,097              | 935,421                 |
| Other non-current assets                      | 418,859              | 412,029                 |
| Total non-current assets                      | 8,826,165            | 8,177,001               |
| Total assets                                  | 39,996,145           | 43,745,826              |

(Thousand yen)

|   | As of March 31, 2021 | As of December 31, 2021 |
|---|----------------------|-------------------------|
| Liabilities                                   |                      |                         |
| Current liabilities                           |                      |                         |
| Trade and other payables                      | 1,369,188            | 1,165,647               |
| Borrowings                                    | 699,283              | 595,080                 |
| Lease liabilities                             | 758,984              | 756,482                 |
| Income taxes payable                          | 537,902              | 339,332                 |
| Contract liabilities                          | 13,408,115           | 18,466,556              |
| Provisions                                    | —                    | 132,052                 |
| Other current liabilities                     | 2,128,655            | 1,941,280               |
| Total current liabilities                     | 18,902,130           | 23,396,431              |
| Non-current liabilities                       |                      |                         |
| Borrowings                                    | 700,000              | 550,000                 |
| Lease liabilities                             | 2,460,621            | 1,007,788               |
| Retirement benefit liability                  | 1,219,226            | 1,291,200               |
| Provisions                                    | 109,337              | —                       |
| Deferred tax liabilities                      | 10,332               | 2,191                   |
| Other non-current liabilities                 | 239,769              | 252,755                 |
| Total non-current liabilities                 | 4,739,286            | 3,103,935               |
| Total liabilities                             | 23,641,416           | 26,500,366              |
| Equity  |                      |                         |
| Share capital                                 | 1,298,120            | 1,298,120               |
| Capital surplus                               | 4,619,915            | 4,619,915               |
| Treasury shares                               | (1,011,805)          | (1,012,049)             |
| Retained earnings                             | 9,450,986            | 10,265,825              |
| Other components of equity                    | 487,548              | 464,236                 |
| Total equity attributable to owners of parent | 14,844,764           | 15,636,047              |
| Non-controlling interests                     | 1,509,964            | 1,609,412               |
| Total equity                                  | 16,354,728           | 17,245,459              |
| Total liabilities and equity                  | 39,996,145           | 43,745,826              |

(2) Condensed Quarterly Consolidated Statement of Profit or Loss and Condensed Quarterly Consolidated Statement of Comprehensive Income

Condensed Quarterly Consolidated Statement of Profit or Loss

For the nine months ended December 31

(Thousand yen)

|  | For the nine months ended<br>December 31, 2020 | For the nine months ended<br>December 31, 2021 |
|--|--|--|
| Revenue                                      | 22,159,560                                     | 25,098,454                                     |
| Cost of sales                                | (14,118,232)                                   | (16,498,223)                                   |
| Gross profit                                 | 8,041,327                                      | 8,600,231                                      |
| Selling, general and administrative expenses | (5,491,306)                                    | (5,997,130)                                    |
| Other income                                 | 11,710   | 3,956  |
| Other expenses                               | (5,449)  | (191,040)                                      |
| Operating profit                             | 2,556,282                                      | 2,416,016                                      |
| Finance income                               | 14,234   | 12,824   |
| Finance costs                                | (18,220)                                       | (24,326)                                       |
| Profit before tax                            | 2,552,295                                      | 2,404,514                                      |
| Income tax expense                           | (794,371)                                      | (732,131)                                      |
| Profit                                       | 1,757,924                                      | 1,672,383                                      |
| Profit attributable to:                      |  |  |
| Owners of parent                             | 1,690,017                                      | 1,569,935                                      |
| Non-controlling interests                    | 67,907   | 102,447  |
| Earnings per share                           |  |  |
| Basic earnings per share (Yen)               | 42.52  | 39.50  |
| Diluted earnings per share (Yen)             | 42.40  | 39.38  |



Condensed Quarterly Consolidated Statement of Comprehensive Income  
For the nine months ended December 31

(Thousand yen)

|  | For the nine months ended<br>December 31, 2020 | For the nine months ended<br>December 31, 2021 |
|--|--|--|
| Profit   | 1,757,924                                      | 1,672,383                                      |
| Other comprehensive income   |  |  |
| Items that will not be reclassified to profit or loss                                |  |  |
| Equity financial assets measured at fair value<br>through other comprehensive income | 72,435   | (33,630)                                       |
| Total of items that will not be reclassified to<br>profit or loss                    | 72,435   | (33,630)                                       |
| Items that may be reclassified to profit or loss                                     |  |  |
| Cash flow hedges   | (3,600)  | (2,919)  |
| Total of items that may be reclassified to profit or<br>loss                         | (3,600)  | (2,919)  |
| Other comprehensive income, net of tax   | 68,835   | (36,549)                                       |
| Comprehensive income   | 1,826,760                                      | 1,635,833                                      |
| Comprehensive income attributable to:  |  |  |
| Owners of parent   | 1,758,853                                      | 1,533,385                                      |
| Non-controlling interests  | 67,907   | 102,447  |

(3) Condensed Quarterly Consolidated Statement of Changes in Equity

For the nine months ended December 31, 2020

(Thousand yen)

|                                      | Equity attributable to owners of parent |                 |                 |                   |                            |   |
|--------------------------------------|---|-----------------|-----------------|-------------------|----------------------------|---|
|                                      | Share capital                           | Capital surplus | Treasury shares | Retained earnings | Other components of equity |   |
|                                      |   |                 |                 |                   | Share acquisition rights   | Remeasurements of defined benefit plans |
| Balance at April 1, 2020             | 1,298,120                               | 4,619,915       | (1,011,553)     | 7,791,730         | 77,561                     | -                                       |
| Profit                               | -                                       | -               | -               | 1,690,017         | -                          | -                                       |
| Other comprehensive income           | -                                       | -               | -               | -                 | -                          | -                                       |
| Comprehensive income                 | -                                       | -               | -               | 1,690,017         | -                          | -                                       |
| Dividends of surplus                 | -                                       | -               | -               | (635,872)         | -                          | -                                       |
| Purchase of treasury shares          | -                                       | -               | (175)           | -                 | -                          | -                                       |
| Share-based payment transactions     | -                                       | -               | -               | -                 | 15,231                     | -                                       |
| Total transactions with owners, etc. | -                                       | -               | (175)           | (635,872)         | 15,231                     | -                                       |
| Balance at December 31, 2020         | 1,298,120                               | 4,619,915       | (1,011,728)     | 8,845,875         | 92,793                     | -                                       |

|                                      | Equity attributable to owners of parent   |                  |         |   | Non-controlling interests | Total equity |
|--------------------------------------|---|------------------|---------|---|---------------------------|--------------|
|                                      | Other components of equity  |                  |         | Total equity attributable to owners of parent |                           |              |
|                                      | Equity financial assets measured at fair value through other comprehensive income | Cash flow hedges | Total   |   |                           |              |
| Balance at April 1, 2020             | 224,785   | 2,202            | 304,548 | 13,002,761                                    | 1,430,438                 | 14,433,200   |
| Profit                               | -   | -                | -       | 1,690,017                                     | 67,907                    | 1,757,924    |
| Other comprehensive income           | 72,435  | (3,600)          | 68,835  | 68,835  | -                         | 68,835       |
| Comprehensive income                 | 72,435  | (3,600)          | 68,835  | 1,758,853                                     | 67,907                    | 1,826,760    |
| Dividends of surplus                 | -   | -                | -       | (635,872)                                     | -                         | (635,872)    |
| Purchase of treasury shares          | -   | -                | -       | (175)   | -                         | (175)        |
| Share-based payment transactions     | -   | -                | 15,231  | 15,231  | -                         | 15,231       |
| Total transactions with owners, etc. | -   | -                | 15,231  | (620,816)                                     | -                         | (620,816)    |
| Balance at December 31, 2020         | 297,220   | (1,397)          | 388,616 | 14,140,798                                    | 1,498,346                 | 15,639,144   |

For the nine months ended December 31, 2021

(Thousand yen)

|                                      | Equity attributable to owners of parent |                 |                 |                   |                            |   |
|--------------------------------------|---|-----------------|-----------------|-------------------|----------------------------|---|
|                                      | Share capital                           | Capital surplus | Treasury shares | Retained earnings | Other components of equity |   |
|                                      |   |                 |                 |                   | Share acquisition rights   | Remeasurements of defined benefit plans |
| Balance at April 1, 2021             | 1,298,120                               | 4,619,915       | (1,011,805)     | 9,450,986         | 98,152                     | -                                       |
| Profit                               | -                                       | -               | -               | 1,569,935         | -                          | -                                       |
| Other comprehensive income           | -                                       | -               | -               | -                 | -                          | -                                       |
| Comprehensive income                 | -                                       | -               | -               | 1,569,935         | -                          | -                                       |
| Dividends of surplus                 | -                                       | -               | -               | (755,096)         | -                          | -                                       |
| Purchase of treasury shares          | -                                       | -               | (243)           | -                 | -                          | -                                       |
| Share-based payment transactions     | -                                       | -               | -               | -                 | 13,237                     | -                                       |
| Total transactions with owners, etc. | -                                       | -               | (243)           | (755,096)         | 13,237                     | -                                       |
| Balance at December 31, 2021         | 1,298,120                               | 4,619,915       | (1,012,049)     | 10,265,825        | 111,389                    | -                                       |

|                                      | Equity attributable to owners of parent   |                  |          |   | Non-controlling interests | Total equity |
|--------------------------------------|---|------------------|----------|---|---------------------------|--------------|
|                                      | Other components of equity  |                  |          | Total equity attributable to owners of parent |                           |              |
|                                      | Equity financial assets measured at fair value through other comprehensive income | Cash flow hedges | Total    |   |                           |              |
| Balance at April 1, 2021             | 386,476   | 2,919            | 487,548  | 14,844,764                                    | 1,509,964                 | 16,354,728   |
| Profit                               | -   | -                | -        | 1,569,935                                     | 102,447                   | 1,672,383    |
| Other comprehensive income           | (33,630)  | (2,919)          | (36,549) | (36,549)                                      | -                         | (36,549)     |
| Comprehensive income                 | (33,630)  | (2,919)          | (36,549) | 1,533,385                                     | 102,447                   | 1,635,833    |
| Dividends of surplus                 | -   | -                | -        | (755,096)                                     | (3,000)                   | (758,096)    |
| Purchase of treasury shares          | -   | -                | -        | (243)   | -                         | (243)        |
| Share-based payment transactions     | -   | -                | 13,237   | 13,237  | -                         | 13,237       |
| Total transactions with owners, etc. | -   | -                | 13,237   | (742,103)                                     | (3,000)                   | (745,103)    |
| Balance at December 31, 2021         | 352,846   | -                | 464,236  | 15,636,047                                    | 1,609,412                 | 17,245,459   |