

Consolidated Financial Results
for the Fiscal Year Ended March 31, 2021
[IFRS]



June 29, 2021

Company name: TECHMATRIX CORPORATION

Stock exchange listing: Tokyo Stock Exchange

Code number: 3762

URL: <http://www.techmatrix.co.jp/>

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Scheduled date of Ordinary General Meeting of Shareholders: June 25, 2021

Scheduled date of filing annual securities report: June 29, 2021

Scheduled date of commencing dividend payments: June 10, 2021

Availability of supplementary briefing material on annual financial results: No

Schedule of annual financial results briefing session: No

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

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2021 (April 1, 2020 to March 31, 2021)

(1) Consolidated Operating Results

(% indicates changes from the previous corresponding period.)

	Revenue		Operating profit		Profit before tax		Profit		Profit attributable to owners of parent		Total comprehensive income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended												
March 31, 2021	30,928	12.1	3,583	31.0	3,406	24.8	2,380	26.9	2,301	25.7	2,537	45.3
March 31, 2020	27,599	-	2,735	-	2,728	-	1,876	-	1,831	-	1,746	-

	Basic earnings per share	Diluted earnings per share	Rate of return on equity attributable to owners of parent	Profit before tax to total assets	Operating profit to revenue
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2021	57.92	57.75	16.5	9.0	11.6
March 31, 2020	46.24	46.11	15.5	8.2	9.9

(Reference) Share of profit (loss) of investments accounted for using equity method:

Fiscal year ended March 31, 2021: ¥- million

Fiscal year ended March 31, 2020: ¥- million

(Note) The Company conducted a 2-for-1 share split of its common stock on July 1, 2020. “Basic earnings per share” and “Diluted earnings per share” have been calculated assuming this share split was conducted at the beginning of the previous fiscal year.

(2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets	Equity per share attributable to owners of parent
	Million yen	Million yen	Million yen	%	Yen
As of March 31, 2021	39,996	16,354	14,844	37.1	373.53
As of March 31, 2020	35,744	14,433	13,002	36.4	327.18

(Note) The Company conducted a 2-for-1 share split of its common stock on July 1, 2020. "Equity per share attributable to owners of parent" has been calculated assuming this share split was conducted at the beginning of the previous fiscal year.

(3) Consolidated Cash Flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
March 31, 2021	3,516	(841)	(1,790)	14,634
March 31, 2020	3,001	(540)	(569)	13,747

2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Ratio of dividends to equity attributable to owners of parent (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended March 31, 2020	-	12.00	-	18.00	30.00	596	31.9	5.0
Fiscal year ended March 31, 2021	-	7.00	-	12.00	19.00	755	32.8	5.4
Fiscal year ending March 31, 2022 (Forecast)	-	7.00	-	12.00	19.00		31.5	

(Note) The Company conducted a 2-for-1 share split of its common stock on July 1, 2020. Dividends in and before the fiscal year ended March 31, 2020 are presented in amounts of the actual dividends paid before the said share split.

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2022 (April 1, 2021 to March 31, 2022)

(% indicates changes from the previous corresponding period.)

	Revenue		Operating profit		Profit before tax		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	15,500	-	1,550	-	1,550	-	1,025	-	25.79
Full year	33,000	6.7	3,700	3.3	3,700	8.6	2,400	4.3	60.39

(Note) "Basic earnings per share" for the fiscal year ending March 31, 2022 are calculated based on the total number of issued shares excluding treasury stock as of March 31, 2021.

*** Notes:**

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No

New: - Excluded: -

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

1) Changes in accounting policies required by IFRS: No

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

3) Changes in accounting estimates: No

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

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

March 31, 2021: 44,518,400 shares

March 31, 2020: 44,518,400 shares

2) Total number of treasury stock at the end of the period:

March 31, 2021: 4,776,438 shares

March 31, 2020: 4,776,296 shares

3) Average number of shares during the period:

Fiscal Year ended March 31, 2021: 39,742,016 shares

Fiscal Year ended March 31, 2020: 39,600,074 shares

(Note) The Company conducted a 2-for-1 share split of its common stock on July 1, 2020. “Total number of issued shares at the end of the period,” “Total number of treasury stock at the end of the period” and “Average number of shares during the period” have been calculated assuming this share split was conducted at the beginning of the previous fiscal year.

* These financial results are outside the scope of audit by a certified public accountant or an audit corporation.

* Explanation of the proper use of financial results forecast and other notes

1. The Company voluntarily adopted the International Financial Reporting Standards (IFRS) for its consolidated financial statements in its securities report for the fiscal year ended March 31, 2021.

2. The Company published its Japanese GAAP-based financial results for the fiscal year ended March 31, 2021 on May 10, 2021.

1. Consolidated Financial Statements and Primary Notes

(1) Consolidated Statement of Financial Position

(Thousand yen)

	As of April 1, 2019 (Date of transition)	As of March 31, 2020	As of March 31, 2021
Assets			
Current assets			
Cash and cash equivalents	11,856,552	13,747,725	14,634,332
Trade and other receivables	3,960,322	4,611,121	3,915,018
Inventories	311,050	363,521	62,650
Advance payments to suppliers	2,047,452	2,858,112	7,137,765
Advance payment - cost of maintenance service	3,754,555	4,284,293	4,572,454
Other current assets	658,824	878,993	847,758
Total current assets	22,588,757	26,743,768	31,169,979
Non-current assets			
Property, plant and equipment	4,694,612	4,454,585	4,289,583
Goodwill	38,112	164,903	164,903
Intangible assets	1,225,334	1,460,892	1,473,636
Other financial assets	1,264,486	1,274,219	1,564,085
Deferred tax assets	953,015	1,111,408	915,097
Other non-current assets	435,063	534,659	418,859
Total non-current assets	8,610,625	9,000,670	8,826,165
Total assets	31,199,383	35,744,438	39,996,145

(Thousand yen)

	As of April 1, 2019 (Date of transition)	As of March 31, 2020	As of March 31, 2021
Liabilities			
Current liabilities			
Trade and other payables	1,699,938	1,894,537	1,369,188
Borrowings	750,000	759,088	699,283
Lease liabilities	884,038	878,072	758,984
Income taxes payable	587,378	730,701	537,902
Contract liabilities	7,868,048	9,751,728	13,408,115
Provisions	-	13,730	-
Other current liabilities	1,594,076	2,000,778	2,128,655
Total current liabilities	13,383,480	16,028,637	18,902,130
Non-current liabilities			
Borrowings	1,150,000	904,283	700,000
Lease liabilities	3,496,382	2,905,833	2,460,621
Retirement benefit liability	1,070,670	1,122,363	1,219,226
Provisions	-	109,567	109,337
Deferred tax liabilities	-	25,444	10,332
Other non-current liabilities	261,470	215,109	239,769
Total non-current liabilities	5,978,523	5,282,600	4,739,286
Total liabilities	19,362,003	21,311,238	23,641,416
Equity			
Share capital	1,298,120	1,298,120	1,298,120
Capital surplus	3,585,385	4,619,915	4,619,915
Treasury shares	(1,349,938)	(1,011,553)	(1,011,805)
Retained earnings	6,807,126	7,791,730	9,450,986
Other components of equity	287,881	304,548	487,548
Total equity attributable to owners of parent	10,628,573	13,002,761	14,844,764
Non-controlling interests	1,208,805	1,430,438	1,509,964
Total equity	11,837,379	14,433,200	16,354,728
Total liabilities and equity	31,199,383	35,744,438	39,996,145

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

Consolidated Statement of Profit or Loss

(Thousand yen)

	For the fiscal year ended March 31, 2020	For the fiscal year ended March 31, 2021
Revenue	27,599,332	30,928,506
Cost of sales	(17,467,425)	(19,711,096)
Gross profit	10,131,907	11,217,409
Selling, general and administrative expenses	(7,431,869)	(7,639,466)
Other income	64,245	15,455
Other expenses	(28,323)	(9,881)
Operating profit	2,735,960	3,583,517
Finance income	14,612	7,469
Finance costs	(21,730)	(184,743)
Profit before tax	2,728,842	3,406,243
Income tax expense	(852,019)	(1,025,359)
Profit	1,876,823	2,380,884
Profit attributable to:		
Owners of parent	1,831,239	2,301,772
Non-controlling interests	45,584	79,111
Earnings per share		
Basic earnings per share (Yen)	46.24	57.92
Diluted earnings per share (Yen)	46.11	57.75

Consolidated Statement of Comprehensive Income

(Thousand yen)

	For the fiscal year ended March 31, 2020	For the fiscal year ended March 31, 2021
Profit	1,876,823	2,380,884
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	(3,192)	(6,230)
Equity financial assets measured at fair value through other comprehensive income	(127,762)	161,691
Total of items that will not be reclassified to profit or loss	(130,955)	155,461
Items that may be reclassified to profit or loss		
Cash flow hedges	813	717
Total of items that may be reclassified to profit or loss	813	717
Other comprehensive income, net of tax	(130,141)	156,178
Comprehensive income	1,746,682	2,537,063
Comprehensive income attributable to:		
Owners of parent	1,699,307	2,457,537
Non-controlling interests	47,374	79,525

(3) Consolidated Statement of Changes in Equity

(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, 2019	1,298,120	3,585,385	(1,349,938)	6,807,126	60,353	-
Profit	-	-	-	1,831,239	-	-
Other comprehensive income	-	-	-	-	-	(4,983)
Comprehensive income	-	-	-	1,831,239	-	(4,983)
Dividends of surplus	-	-	-	(715,244)	-	-
Purchase of treasury shares	-	-	(199)	-	-	-
Disposal of treasury shares	-	1,036,608	338,585	-	-	-
Share-based payment transactions	-	-	-	-	22,900	-
Exercise of share acquisition rights	-	-	-	-	(5,692)	-
Change in scope of consolidation	-	-	-	-	-	-
Changes in ownership interest in subsidiaries	-	(2,077)	-	-	-	-
Transfer from other components of equity to retained earnings	-	-	-	(131,391)	-	4,983
Total transactions with owners, etc.	-	1,034,530	338,385	(846,635)	17,207	4,983
Balance at March 31, 2020	1,298,120	4,619,915	(1,011,553)	7,791,730	77,561	-
Profit	-	-	-	2,301,772	-	-
Other comprehensive income	-	-	-	-	-	(6,643)
Comprehensive income	-	-	-	2,301,772	-	(6,643)
Dividends of surplus	-	-	-	(635,872)	-	-
Purchase of treasury shares	-	-	(252)	-	-	-
Disposal of treasury shares	-	-	-	-	-	-
Share-based payment transactions	-	-	-	-	20,591	-
Exercise of share acquisition rights	-	-	-	-	-	-
Change in scope of consolidation	-	-	-	-	-	-
Changes in ownership interest in subsidiaries	-	-	-	-	-	-
Transfer from other components of equity to retained earnings	-	-	-	(6,643)	-	6,643
Total transactions with owners, etc.	-	-	(252)	(642,516)	20,591	6,643
Balance at March 31, 2021	1,298,120	4,619,915	(1,011,805)	9,450,986	98,152	-

	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, 2019	226,139	1,388	287,881	10,628,573	1,208,805	11,837,379
Profit	-	-	-	1,831,239	45,584	1,876,823
Other comprehensive income	(127,762)	813	(131,931)	(131,931)	1,790	(130,141)
Comprehensive income	(127,762)	813	(131,931)	1,699,307	47,374	1,746,682
Dividends of surplus	-	-	-	(715,244)	-	(715,244)
Purchase of treasury shares	-	-	-	(199)	-	(199)
Disposal of treasury shares	-	-	-	1,375,194	-	1,375,194
Share-based payment transactions	-	-	22,900	22,900	-	22,900
Exercise of share acquisition rights	-	-	(5,692)	(5,692)	-	(5,692)
Change in scope of consolidation	-	-	-	-	172,180	172,180
Changes in ownership interest in subsidiaries	-	-	-	(2,077)	2,077	-
Transfer from other components of equity to retained earnings	126,408	-	131,391	-	-	-
Total transactions with owners, etc.	126,408	-	148,599	674,880	174,258	849,139
Balance at March 31, 2020	224,785	2,202	304,548	13,002,761	1,430,438	14,433,200
Profit	-	-	-	2,301,772	79,111	2,380,884
Other comprehensive income	161,691	717	155,765	155,765	413	156,178
Comprehensive income	161,691	717	155,765	2,457,537	79,525	2,537,063
Dividends of surplus	-	-	-	(635,872)	-	(635,872)
Purchase of treasury shares	-	-	-	(252)	-	(252)
Disposal of treasury shares	-	-	-	-	-	-
Share-based payment transactions	-	-	20,591	20,591	-	20,591
Exercise of share acquisition rights	-	-	-	-	-	-
Change in scope of consolidation	-	-	-	-	-	-
Changes in ownership interest in subsidiaries	-	-	-	-	-	-
Transfer from other components of equity to retained earnings	-	-	6,643	-	-	-
Total transactions with owners, etc.	-	-	27,234	(615,534)	-	(615,534)
Balance at March 31, 2021	386,476	2,919	487,548	14,844,764	1,509,964	16,354,728

(4) Consolidated Statement of Cash Flows

(Thousand yen)

	For the fiscal year ended March 31, 2020	For the fiscal year ended March 31, 2021
Cash flows from operating activities		
Profit before tax	2,728,842	3,406,243
Depreciation and amortization	1,585,449	1,735,317
Finance income and finance costs	17,705	66,213
Decrease (increase) in trade and other receivables	(618,625)	790,109
Decrease (increase) in inventories	(55,113)	300,871
Decrease (increase) in advance payments to suppliers	(810,659)	(4,279,652)
Decrease (increase) in advance payment - cost of maintenance service	(527,458)	(288,160)
Increase (decrease) in trade and other payables	161,189	(594,965)
Increase (decrease) in contract liabilities	1,869,108	3,656,386
Increase (decrease) in retirement benefit liability	51,693	96,862
Increase (decrease) in provisions	13,730	(13,730)
Other	(519,723)	(241,075)
Subtotal	3,896,139	4,634,420
Interest and dividends received	3,965	6,314
Interest paid	(20,186)	(17,687)
Income taxes paid	(878,207)	(1,106,617)
Net cash provided by (used in) operating activities	3,001,711	3,516,429
Cash flows from investing activities		
Purchase of property, plant and equipment	(345,995)	(503,828)
Purchase of intangible assets	(177,945)	(128,798)
Purchase of investments	(249,000)	(203,514)
Proceeds from sale of investments	150,364	-
Proceeds from purchase of shares of subsidiaries	34,384	-
Other	47,255	(5,167)
Net cash provided by (used in) investing activities	(540,936)	(841,309)
Cash flows from financing activities		
Repayments of long-term borrowings	(321,480)	(264,088)
Dividends paid	(713,991)	(635,195)
Repayments of lease liabilities	(902,940)	(890,955)
Proceeds from disposal of treasury shares resulting from exercise of share acquisition rights	1,369,501	-
Other	(199)	(252)
Net cash provided by (used in) financing activities	(569,110)	(1,790,491)
Effect of exchange rate changes on cash and cash equivalents	(491)	1,977
Net increase (decrease) in cash and cash equivalents	1,891,173	886,606
Cash and cash equivalents at beginning of period	11,856,552	13,747,725
Cash and cash equivalents at end of period	13,747,725	14,634,332