

This English translation of the financial report was prepared for reference purposes only and is qualified in its entirety by the original Japanese version. The financial information contained in this report is derived from our unaudited consolidated financial statements appearing in item 2 of this report.

ARTERIA Networks Corporation Consolidated Financial Report For the Fiscal Year Ended March 31, 2021 [IFRS]

May 14, 2021

Company name	ARTERIA Networks Corporation	Stock listing: Tokyo Stock Exchange – First Section
Stock ticker	4423	URL https://www.arteria-net.com
Representative (Position)	Representative Director, President & CEO	(Name) Koji Kabumoto
Name of contact (Position)	Managing Executive Officer & CFO	(Name) Seiichi Tateishi TEL 03 (6823) 0349
Scheduled date of AGM:	June 25, 2021	
Scheduled date of filing:	June 29, 2021	
Scheduled date of dividend payment:	June 11, 2021	
Supplemental results materials:	Yes	
Earnings results briefing:	Yes (For institutional investors, security analysts)	

(Millions of yen; amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results For the Fiscal Year Ended March 31, 2021 (April 1, 2020 – March 31, 2021, “the fiscal year”)

(1) Consolidated Operating Results

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

	Net sales		Operating profit		Profit before income taxes		Profit		Profit attributable to owners of the parent		Comprehensive income	
		%		%		%		%		%		%
Fiscal Year ended March 31, 2021	53,328	3.6	8,867	2.3	8,460	3.1	5,897	4.0	5,535	4.5	5,965	3.8
Fiscal Year ended March 31, 2020	51,494	4.6	8,669	16.1	8,209	17.5	5,668	12.4	5,296	14.1	5,744	12.5

	Basic earnings per share	Diluted earnings per share	Ratio of profit to equity, attributable to owners of the parent	Ratio of profit before income taxes to total assets	Ratio of operating income to net sales
	Yen	Yen	%	%	%
Fiscal Year ended March 31, 2021	110.74	-	25.0	9.4	16.6
Fiscal Year ended March 31, 2020	105.93	-	28.4	9.5	16.8

(Reference)

Income on equity method investments

Fiscal year ended March 31, 2021 - million yen

Fiscal year ended March 31, 2020 - million yen

(Reference)

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

	Adjusted EBITDA	
		%
Fiscal Year ended March 31, 2021	17,970	4.0
Fiscal Year ended March 31, 2020	17,279	15.0

(2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of the parent	Ratio of equity attributable to owners of the parent to total assets	Equity per share attributable to owners of the parent
As of March 31, 2021	89,804	25,531	23,608	26.3	472.31
As of March 31, 2020	90,779	22,706	20,709	22.8	414.20

(3) Consolidated Cash flows

	Operating activities	Investing activities	Financing activities	Cash and cash equivalents at the end of the year
As of March 31, 2021	14,314	(7,683)	(7,698)	10,957
As of March 31, 2020	14,570	(6,311)	(5,550)	11,996

2. Dividends

	Dividends per share				
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2020	-	-	-	52.97	52.97
Fiscal year ended March 31, 2021	-	-	-	55.37	55.37
Fiscal year ending March 31, 2022 (forecasted)	-	29.00	-	29.00	58.00

	Total amount of dividends	Payout ratio (Consolidated)	Ratio of dividend to equity attributable to owners of the parent (Consolidated)
		%	%
Fiscal year ended March 31, 2020	2,648	50.0	14.2
Fiscal year ended March 31, 2021	2,767	50.0	12.5
Fiscal year ending March 31, 2022 (forecasted)		50.0	

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

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

	Net sales		Operating profit		Profit before income taxes		Profit		Profit attributable to owners of the parent		Basic earnings per share
		%		%		%		%		%	Yen
Fiscal year ending March 31, 2022	54,519	2.2	9,300	4.9	8,929	5.5	6,162	4.5	5,800	4.8	116.03

* Notes

(1) Changes in significant consolidated subsidiaries (which resulted in changes in scope of consolidation) during the fiscal year ended March 31, 2021: None

(2) Changes in accounting policies and estimates

- (i) Changes in accounting policies required under IFRS: None
- (ii) Other changes in accounting policies: None
- (iii) Changes in accounting estimates: None

(3) Number of outstanding shares (Common stock)

(i) Number of shares outstanding (including treasury stock)	As of March 31, 2021	50,000,000 Shares	As of March 31, 2020	50,000,000 Shares
(ii) Number of treasury stock	As of March 31, 2021	13,625 Shares	As of March 31, 2020	61 Shares
(iii) Number of weighted average common stock outstanding	As of March 31, 2021	49,985,444 Shares	As of March 31, 2020	49,999,939 Shares

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

* Regarding appropriate use of forecasts

This report contains statements that constitute forward-looking statements including estimations, forecasts targets and plans. Such forward-looking statements do not represent any guarantee by the Company of future performance. Our actual results may vary materially from those we currently anticipate. Any forward-looking statements in this report are based on the current assumptions and beliefs of the Company in light of the information currently available to it, and involve known and unknown risks, uncertainties and other factors. Regarding the use and definition of forecasts please refer to “Forecasts” under “1. Qualitative Information.”

Regarding (Reference) information

- (1) Adjusted EBITDA = profit + income taxes – finance income + finance costs + depreciation and amortization + loss on disposal of supplies and equipment installed at customers’ premises + IPO preparation expenses
- (2) IPO preparation expenses consist of expenses incurred in preparing for our IPO that are not expected to recur. Such expenses include fees paid to accounting and other advisors in connection with preparation for our IPO and are included as part of IPO related costs.
- (3) Loss on disposal of supplies and equipment installed at customers’ premises consist of such losses recorded as part of cost of sales and other expense in our consolidated statement of income.
- (4) Adjusted EBITDA is not prepared in accordance with article 193-2 (1) of the Financial Instruments and Exchange Act of Japan and has not been audited by the Company’s independent auditors.
- (5) Adjusted EBITDA reflects some expenses incurred in preparing for our IPO that are not expected to recur after the completion of our IPO and do not reflect the underlying performance of our business. These non-IFRS measures are supplemental financial measures that we believe are useful for investors to assess the operating performance and profitability of our business.
- (6) Adjusted EBITDA excludes certain items which impacts profit. These non-IFRS measures should not be considered in isolation or as a substitute for the most comparable financial measures presented in accordance with IFRS. These indices are meant to be illustrative only and are calculated based on assumptions which might differ from those used by other companies and should therefore not be used as a basis for comparison.

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1. Qualitative Information / Consolidated Financial Statements, etc.

(1) Operational Results

The global spread of COVID-19 during the fiscal year, has significantly affected the economy and economic conditions remain tough. The state of emergency has been declared a second time in Japan and the future impact of COVID-19 on the domestic and global economy will need to be monitored continuously.

In the information and telecommunications market, where the Group operates, we have seen a slowdown in corporate revenues leading to curbing, postponement, and cancellations of ICT-related capital expenditure as a result of COVID-19.

The promotion of a new workstyle, allowing people to work anywhere and anytime, has driven up the use of telecommuting and satellite offices. This is creating additional needs for high-speed communications and secure network services.

In this business environment, while the impact of COVID-19 lasted longer than expected, sales of the core services in each of our main business areas continued to grow year on year. Improvements in our cost structure and a structural reorganization of our data center business contributed to the achievement of our earnings forecasts announced on May 15, 2020 in the “Consolidated Financial Report For the Fiscal Year Ended March 31, 2020”.

In internet services, sales for our core products FTTx and ISP services increased year on year.

Driven by increased cloud usage and the continued promotion of telecommuting generating more external access to corporate networks, the roll out of our best effort basis maximum 10Gbps (uplink and downlink) service is going well. Demand for large bandwidth and high-quality FTTx services remains firm.

In ISP services, demand for high-quality services has increased, driven by an increase in orders from our OEM Flet’s partners and expanded provision of VNE* services to mobile carriers. On the other hand, impacted by lower volume of phone calls generated from offices, our IP phone services showed negative growth year on year. We expect it will take some time for the demand to recover.

In network services, our customers’ operations have been impacted by the spread of COVID-19 and some delays in service provision and requests for payment reductions impacted some of our services.

Leased circuit showed decreased growth rates year on year due to stagnant corporate activities. However, orders which were previously sluggish due to COVID-19, started to show signs of recovery in the third quarter of the fiscal year and we expect this trend to continue.

In VPN services, while the growth rate has slowed down year on year, we received some large orders and sales grew year on year.

In condominium internet services, comprehensive contracts with large developers and management companies increased and sales in both the owned condo market and the rental apartments market grew steadily. While the number of new-builds in the owned condo market is trending downwards the implementation rate of the whole-building model continues to increase and our orders sustain a strong trend. By introducing new services and strengthening our salesforce in the rental market, which we are focusing on for growth, we have exceeded our expansion in the owned condo market.

As a result, during the fiscal year net sales increased by 1,834 million yen (3.6%) year on year to 53,328 million yen; operating income increased by 198 million yen (2.3%) year on year to 8,867 million yen; profit before income taxes for the fiscal year increased by 250 million yen (3.1%) year on year to 8,460 million yen. Profit for the period attributable to owners of the parent increased by 238 million yen (4.5%) year on year to 5,535 million yen.

Note:

Virtual Network Enabler: service provider that offers network facilities and systems required for IPoE connection to internet service providers.

(2) Financial Position

	March 31, 2020	March 31, 2021	Change
Total assets (millions of yen)	90,779	89,804	(974)
Total equity (millions of yen)	22,706	25,531	2,825
Equity attributable to owners of the parent (millions of yen)	20,709	23,608	2,899
Ratio of equity attributable to owners of the parent (%)	22.8	26.3	3.5
Balance of borrowings (millions of yen)	40,162	38,317	(1,844)
Debt equity ratio	2.4	1.9	(0.5)
Leverage ratio	2.2	1.9	(0.3)

During the fiscal year, total assets decreased by 974 million yen from the end of the previous fiscal year, to 89,804 million yen. Equity attributable to owners of the parent increased by 2,899 million yen year on year, to 23,608 million yen, due to an increase in retained earnings. As a result, the ratio of equity attributable to owners of the parent amounted to 26.3%. The balance of borrowings decreased by 1,844 million yen year on year, to 38,317 million yen, as a result of a scheduled repayment.

(3) Overview of Cash Flows

During the fiscal year, there were no COVID-19 related matters that had a significant impact on our business and the group maintained a stable cash flow. Against this backdrop, the balance of cash and cash equivalents decreased by 1,039 million yen year on year, to 10,957 million yen.

(Cash flows from operating activities)

An increase in income taxes paid resulted in a decrease of 255 million yen year on year in cash generated by operating activities, to 14,314 million yen.

(Cash flows from investing activities)

As a result of acquiring fixed assets and intangible assets, cash used for investing activities increased by 1,371 million yen year on year, to 7,683 million yen, while there were proceeds from transfer of assets related to the data center business.

Consequently, free cash flow (*) in the fiscal year decreased by 1,627 million yen year on year to 6,631 million yen cash generated.

(Cash flows from financing activities)

Cash used for financing activities increased by 2,148 million yen year on year, to 7,698 million yen, due to repayment of long-term borrowings and lease liabilities and payment of dividends.

* Free cash flow: cash flows from operating activities + cash flows from investing activities.

(4) Basic Policy Regarding Distribution of Profits and Dividends

Our basic policy for dividend distributions is to provide stable dividends while using internal reserves to increase our corporate value and strengthening our competitiveness. We will allocate internal reserves for proactive investments, etc. to carry out measures for strengthening our management foundation.

The Company's dividends are scheduled to be paid once a year as a year-end dividend, with a medium- to long-term payout ratio target of 50%.

Regarding dividends for the interval of our new mid-term plan, the fiscal year ending March 31, 2022 to the fiscal year ending March 31, 2026, our basic policy will be to target a payout ratio of 50% and to announce the forecasted minimum dividend at the beginning of each fiscal year. The dividends of surplus are to be paid out twice a year as an interim dividend and a year-end dividend.

The Company's Articles of Incorporation provide that dividends of surplus (including interim dividends) may be conducted by a resolution of the Board of Directors in accordance with Article 459 paragraph 1 of the Companies Act.

(5) Forecasts

Driven by the spread of COVID-19, the pace at which data traffic is increasing has accelerated and the information and telecommunications market is expected to continue to expand during the fiscal year ending March 31, 2022.

While COVID-19 continues to impact our corporate customers, the penetration of new workstyles, such as telecommuting and satellite offices, further increases the importance and expectations of information and telecommunication related businesses within society.

Optimization and renewal of our internet services will generate new opportunities in our internet business. In our network business sales of leased circuits and other services directed at OTTs* will expand. The start of billing for accumulated orders and our efforts in the rental market will expand sales in our condo business. Accordingly, net sales for the fiscal year ending March 31, 2022 is forecast at 54,519 million yen (2.2%).

Our profit forecasts for the fiscal year ending March 31, 2022 take both the COVID-19 related negative impact on our recurring revenue, incurred during the fiscal year ended March 31, 2021, and strategic growth-related costs into consideration.

As a result of the abovementioned increase in sales and one-time profit, on the partial transfer of our data center business and transfer of fixed assets, operating income is forecasted at 9,300 million yen (4.9%), and profit attributable to owners of the parent at 5,800 million yen (4.8%)

For details on our new mid-term plan, the fiscal year ending March 31, 2022 to the fiscal year ending March 31, 2026 please refer to our announcement "ARTERIA Networks Group FY21-FY25 Mid-Term Plan" issued on May 14, 2021.

Note:

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(6) Significant Matters about Going Concern Assumption

None

(7) Basic Concept Regarding Selection of Accounting Standard

To enhance the international comparability and convenience of its financial reporting in capital markets the Company has adopted International Financial Reporting Standards (IFRS) from the fiscal year ended March 31, 2017.

2. Consolidated Financial Statements

(1) Consolidated Statement of Financial Position

	Previous fiscal year (March 31, 2020)	Current fiscal year (March 31, 2021)
	Millions of yen	Millions of yen
Assets		
Current assets		
Cash and cash equivalents	11,996	10,957
Trade and other receivables	6,362	7,495
Other financial assets	10	309
Inventories	151	200
Other current assets	1,526	2,204
Total current assets	20,047	21,167
Non-current assets		
Property, plant and equipment	38,152	35,414
Goodwill	12,646	12,646
Intangible assets	15,362	15,072
Other financial assets	3,012	3,562
Deferred tax assets	821	1,253
Other non-current assets	735	687
Total non-current assets	70,732	68,637
Total assets	90,779	89,804

	Previous fiscal year (March 31, 2020)	Current fiscal year (March 31, 2021)
	Millions of yen	Millions of yen
Liabilities and Equity		
Liabilities		
Current liabilities		
Borrowings	1,938	2,240
Trade and other payables	5,310	6,031
Lease liabilities	2,609	2,027
Income and other taxes payable	1,369	2,181
Provisions	181	182
Other current liabilities	4,214	4,589
Total current liabilities	15,624	17,253
Non-current liabilities		
Borrowings	38,223	36,076
Long-term lease liabilities	7,146	4,741
Retirement benefit liabilities	718	867
Provisions	2,880	2,041
Deferred tax liabilities	2,668	2,469
Other non-current liabilities	810	823
Total non-current liabilities	52,448	47,019
Total liabilities	68,072	64,273
Equity		
Common stock	5,150	5,150
Capital surplus	4,640	4,663
Retained earnings	10,873	13,765
Treasury stock	(0)	(79)
Other components of equity	46	109
Total equity attributable to owners of the parent	20,709	23,608
Non-controlling interests	1,997	1,922
Total equity	22,706	25,531
Total liabilities and equity	90,779	89,804

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

	Previous fiscal year (From April 1, 2019 to March 31, 2020)	Current fiscal year (From April 1, 2020 to March 31, 2021)
	Millions of yen	Millions of yen
Net sales	51,494	53,328
Cost of sales	34,393	36,828
Gross profit	17,100	16,500
Selling, general and administrative expenses	8,176	8,113
Other income	172	702
Other expenses	427	221
Operating profit	8,669	8,867
Finance income	61	71
Finance costs	521	479
Profit for the period before income taxes	8,209	8,460
Income taxes	2,541	2,562
Profit for the period	<u>5,668</u>	<u>5,897</u>
Profit for the period attributable to:		
Owners of the parent	5,296	5,535
Non-controlling interests	371	361
Profit for the period	<u>5,668</u>	<u>5,897</u>
Earnings per share		
Basic earnings per share (yen)	105.93	110.74
Diluted earnings per share (yen)	-	-

(Consolidated Statement of Comprehensive Income)

	Previous fiscal year (From April 1, 2019 to March 31, 2020)	Current fiscal year (From April 1, 2020 to March 31, 2021)
	Millions of yen	Millions of yen
Profit for the period	5,668	5,897
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	75	63
Remeasurements of defined benefit plan	1	4
Total items that will not be reclassified to profit or loss	76	67
Total other comprehensive income, net of tax	76	67
Comprehensive income for the period	5,744	5,965
Comprehensive income for the period attributable to:		
Owners of parent	5,373	5,603
Non-controlling interests	371	361
Comprehensive income for the period	5,744	5,965

(3) Consolidated Statement of Changes in Equity

	Equity attributable to owners of the parent					
	Common stock	Capital surplus	Retained earnings	Treasury stock	Other components of equity	
					Financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plan
Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	
As of April 1, 2019	5,150	5,951	5,575	(0)	(28)	-
Profit for the year	-	-	5,296	-	-	-
Other comprehensive income	-	-	-	-	75	1
Comprehensive income for the year	-	-	5,296	-	75	1
Transfer to retained earnings	-	-	1	-	-	(1)
Purchase of Treasury stock	-	-	-	-	-	-
Cash dividends	-	(1,310)	-	-	-	-
Total transactions with owners	-	(1,310)	1	-	-	(1)
As of March 31, 2020	5,150	4,640	10,873	(0)	46	-
Profit for the year	-	-	5,535	-	-	-
Other comprehensive income	-	-	-	-	63	4
Comprehensive income for the year	-	-	5,535	-	63	4
Transfer to retained earnings	-	-	4	-	-	(4)
Purchase of Treasury stock	-	-	-	(79)	-	-
Cash dividends	-	-	(2,648)	-	-	-
Share-based payment transactions	-	23	-	-	-	-
Total transactions with owners	-	23	(2,644)	(79)	-	(4)
As of March 31, 2021	5,150	4,663	13,765	(79)	109	-

	Equity attributable to owners of the parent			
	Other components of equity	Total	Non-controlling interests	Total
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
As of April 1, 2019	(28)	16,647	2,089	18,736
Profit for the year	-	5,296	371	5,668
Other comprehensive income	76	76	-	76
Comprehensive income for the year	76	5,373	371	5,744
Transfer to retained earnings	(1)	-	-	-
Purchase of Treasury stock	-	-	-	-
Cash dividends	-	(1,310)	(463)	(1,774)
Total transactions with owners	(1)	(1,310)	(463)	(1,774)
As of March 31, 2020	46	20,709	1,997	22,706
Profit for the year	-	5,535	361	5,897
Other comprehensive income	67	67	-	67
Comprehensive income for the year	67	5,603	361	5,965
Transfer to retained earnings	(4)	-	-	-
Purchase of Treasury stock	-	(79)	-	(79)
Cash dividends	-	(2,648)	(436)	(3,084)
Share-based payment transactions	-	23	-	23
Total transactions with owners	(4)	(2,704)	(436)	(3,140)
As of March 31, 2021	109	23,608	1,922	25,531

(4) Consolidated Statement of Cash Flows

	Previous fiscal year (From April 1, 2019 To March 31, 2020)	Current fiscal year (From April 1, 2020 To March 31, 2021)
	Millions of yen	Millions of yen
Cash flows from operating activities		
Profit for the period before income taxes	8,209	8,460
Depreciation and amortization	8,232	8,857
Finance income	(61)	(71)
Finance costs	521	479
Loss on disposal of property, plant and equipment	342	172
(Increase) decrease in trade and other receivables	265	(881)
(Increase) decrease in inventories	108	(133)
(Decrease) increase in trade and other payables	(484)	761
Other	(914)	(604)
Subtotal	<u>16,219</u>	<u>17,039</u>
Interest received	0	0
Dividend income received	33	49
Interest paid	(374)	(344)
Income taxes paid	<u>(1,307)</u>	<u>(2,431)</u>
Net cash provided by (used in) operating activities	<u>14,570</u>	<u>14,314</u>
Cash flows from investing activities		
Purchases of property, plant and equipment	(5,804)	(7,080)
Proceeds from sale of property, plant and equipment	39	637
Disposals of property, plant and equipment	(245)	(230)
Purchases of intangible assets	(223)	(976)
Other	(78)	(33)
Net cash (used in) provided by investing activities	<u>(6,311)</u>	<u>(7,683)</u>
Cash flows from financing activities		
Repayments of long-term borrowings	(1,634)	(1,938)
Repayments of lease liabilities	(2,124)	(2,578)
Dividends paid to non-controlling interests	(463)	(436)
Dividends paid	(1,309)	(2,648)
Purchase of Treasury stock	-	(79)
Other	(17)	(17)
Net cash (used in) provided by financing activities	<u>(5,550)</u>	<u>(7,698)</u>
Net effect of currency translation on cash and cash equivalents	-	28
Net increase (decrease) in cash and cash equivalents	<u>2,708</u>	<u>(1,039)</u>
Cash and cash equivalents at the beginning of the period	<u>9,288</u>	<u>11,996</u>
Cash and cash equivalents at the end of the period	<u><u>11,996</u></u>	<u><u>10,957</u></u>

(5) Notes to Consolidated Financial Statements

(Going Concern Assumption)

Not applicable.

(Changes in accounting policies)

Accounting policies applied to the consolidated financial statements of the current fiscal year are the same as the accounting policies applied to the consolidated financial statements of the previous fiscal year.

(Accounting Estimates and Judgements involving Estimates)

In preparing the consolidated financial statements in accordance with IFRS, management is required to make judgments, estimates and assumptions that may affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. However, actual results may differ from those estimates and assumptions.

The estimates and underlying assumptions are reviewed on an ongoing basis. The effect of any changes in accounting estimates is recognized in the period in which the estimates are changed.

Judgments, estimates and assumptions, which may have a material impact on the amounts recognized in the consolidated financial statements of the current fiscal year are the same as those for the consolidated financial statements of the previous fiscal year.

(Segment Information)

(i) Overview of reportable segments

The Group is mainly engaged in the provision of internet services (optical internet connection services, etc.), network services (leased circuit services, VPN connection services, etc.), and condominium internet services (building-wide condominium internet service, etc.) in a single operating segment of telecommunications business based on the Telecommunications Business Act.

The outline of each line of service is as follows:

- Optical internet connection services: This service includes high-speed data transmission by using optical fibers for access lines. The Group provides proprietary, high-quality service.
- Leased circuit services: This is a service which connects two specific locations and is characterized by high reliability, quality and security. The Group has a competitive advantage in terms of its ability to provide high-performance connections within Tokyo and between Tokyo, Nagoya, Osaka, and Fukuoka.
- VPN connection services: This is a private network service that configures a virtual communication tunnel among users connected to the internet. The Group offers a comprehensive, one-stop service from design to maintenance using various access lines.
- Building-wide condominium internet service: As an internet connection service for individual users, the Group provides this connection service for which all the condominium residents sign a contract with a service provider.

(ii) Net sales and other operating results by segment

The Group is engaged in a single business segment providing telecommunications services.

(iii) Information on products and services

Net sales to external customers by product and service are as follows:

	Previous fiscal year (From April 1, 2019 to March 31, 2020)	Current fiscal year (From April 1, 2020 to March 31, 2021)
	Millions of yen	Millions of yen
Internet services	20,641	20,603
Network services	14,838	15,311
Condominium internet services	11,317	11,961
Others	4,695	5,451
Total	51,494	53,328

(Earnings per Share)

The calculation basis for basic earnings per share is as follows:

	Previous fiscal year (From April 1, 2019 To March 31, 2020)	Current fiscal year (From April 1, 2020 To March 31, 2021)
Profit attributable to owners of the parent (Millions of yen)	5,296	5,535
Average number of shares of common stock during the period (shares)	49,999,939	49,985,444
Basic earnings per share (yen)	105.93	110.74

Note:

Diluted earnings per share are not calculated as there are no potential dilutive shares.

(Significant subsequent events)

Not applicable.