

**Non-Consolidated Financial Results**  
**for the Fiscal Year Ended April 30, 2021**  
**[Japanese GAAP]**



June 11, 2021

Company name: Asukanet Co., Ltd.  
 Stock exchange listing: Tokyo Stock Exchange  
 Code number: 2438  
 URL: <https://www.asukanet.co.jp>  
 Representative: Yuji Matsuo, Representative Director & President  
 Contact: Kenya Kono, Senior Managing Director & CFO  
 Phone: +81-82-850-1200  
 Scheduled date of Annual General Meeting of Shareholders: July 27, 2021  
 Scheduled date of commencing dividend payments: July 28, 2021  
 Scheduled date of filing annual securities report: July 28, 2021  
 Availability of supplementary briefing material on annual financial results: Available  
 Schedule of annual financial results briefing session: Scheduled (for institutional investors and analysts)

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

**1. Non-Consolidated Financial Results for the Fiscal Year Ended April 30, 2021**  
**(May 1, 2020 to April 30, 2021)**

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

	Net sales		Operating income		Ordinary income		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended April 30, 2021	5,773	(12.2)	277	(60.9)	330	(53.4)	225	(55.0)
April 30, 2020	6,575	4.4	709	(18.4)	710	(18.6)	501	(16.2)

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary income to total assets	Operating income to net sales
	Yen	Yen	%	%	%
Fiscal year ended April 30, 2021	13.39	-	3.9	5.1	4.8
April 30, 2020	29.79	-	9.0	11.0	10.8

(Reference) Equity in earnings of affiliated companies: Fiscal year ended April 30, 2021: ¥- million  
 Fiscal year ended April 30, 2020: ¥- million

(Note) Diluted earnings per share is not presented as there were no potential shares.

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of April 30, 2021	6,465	5,825	90.1	345.75
As of April 30, 2020	6,607	5,750	87.0	341.45

(Reference) Equity: As of April 30, 2021: ¥5,825 million  
 As of April 30, 2020: ¥5,750 million

(3) Non-Consolidated Cash Flows

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended April 30, 2021	359	(335)	(169)	1,410
April 30, 2020	849	(774)	(187)	1,555

## 2. Dividends

	Annual dividends					Total dividends (Annual)	Dividend payout ratio	Dividends to net assets
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended April 30, 2020	-	0.00	-	10.00	10.00	168	33.6	3.0
Fiscal year ended April 30, 2021	-	0.00	-	7.00	7.00	117	52.3	2.0
Fiscal year ending April 30, 2022 (Forecast)	-	0.00	-	7.00	7.00		59.1	

## 3. Non-Consolidated Financial Results Forecast for the Fiscal Year Ending April 30, 2022 (May 1, 2021 to April 30, 2022)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Profit		Basic earnings per share
Full year	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
	6,270	8.6	285	2.7	285	(13.9)	200	(11.3)	11.87

As the Company manages its financial results at an annual base, the financial results forecast for the first half is not disclosed.

### \* Notes:

#### (1) Changes in accounting policies, changes in accounting estimates and retrospective restatement

- 1) Changes in accounting policies due to the revision of accounting standards: No
- 2) Changes in accounting policies other than 1) above: No
- 3) Changes in accounting estimates: No
- 4) Retrospective restatement: No

#### (2) Total number of issued shares (common shares)

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

April 30, 2021: 17,464,000 shares  
April 30, 2020: 17,464,000 shares

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

April 30, 2021: 615,057 shares  
April 30, 2020: 623,057 shares

##### 3) Average number of shares during the period:

Fiscal year ended April 30, 2021: 16,845,874 shares  
Fiscal year ended April 30, 2020: 16,840,976 shares

\* 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

The earnings forecasts and other forward-looking statements herein are based on information currently available to the Company and certain assumptions that the Company believes are reasonable, and actual results may differ significantly from these forecasts due to a wide range of factors.

## 4. Overview of Business Results

### (1) Overview of Business Results for this Fiscal Year

During this fiscal year, the economy of Japan continued to face harsh conditions including deteriorating corporate profits and stagnating personal consumption caused by the global coronavirus pandemic and the initial state of emergency. The future remains extremely uncertain as there are signs of renewed growth in coronavirus infections.

Asukanet operates three business areas, each with different positioning and characteristics. They are (1) the memorial design service business, which adds digital processing and remote output services for photos of the deceased to a funeral business that is largely unaffected by economic trends, (2) the personal publishing business, which provides ideas for new photo output methods that allow users to create complete photo collections beginning from just a single book, and (3) the aerial imaging business, which is utilizing unique, recently-developed technologies aiming to create a new market and achieve dreams.

During this fiscal year, we released the web childbirth announcement service “e-tayori” which connects “congratulations” and “thank you”. Also, we established a technical development center for the aerial imaging business in Sagamihara, Kanagawa Prefecture.

Following is an overview of the business results for each segment. The result figures for each segment include internal inter-segment sales.

#### (1) Memorial design service business

In this business, during the first half of the year we faced a difficult struggle for income from processing photos of the deceased due to the effects of the coronavirus pandemic, however business gradually recovered beginning from the second half. There was also a decline in sales of funeral production tools due to the trend toward smaller funeral sizes. Sales of equipment for printing photos of the deceased were also difficult as customers chose to delay replacing their equipment. On the other hand, our efforts to strengthen inside sales for the “tsunagoo” service, which connects the chief mourner and funeral participants, succeeded in producing a steady increase in the number of contracts and number of uses.

As a new project, we worked to strengthen the “tsunagoo” functions, for example by adding the new “inori” remembrance service that is unrestricted by time and place. We also continued to make improvements to the focus restoration tool that we have introduced, aiming to improve the processing quality for photos of the deceased.

In terms of profit and loss, despite the reduction of advertising expenses and travel and transportation expenses, there was an increase in personnel expenses resulting from the higher number of employees involved in image processing, and a temporary increase in expenses resulting from the relocation of our Kanto region operations center which was done in order to reduce fixed costs. These factors resulted in lower profits compared with the same period in the previous fiscal year.

As a result, sales were 2,492,188 thousand yen (97.4% compared to the previous fiscal year), and segment income was 616,970 thousand yen (93.4% compared to the previous fiscal year).

#### (2) Personal publishing service business

This business operates *AsukaBook* for the professional photography market in Japan, and *MyBook* for the general Japanese consumer market. We are also engaged in OEM supply of photo albums and photo prints based on photos that were taken with smartphones.

In the professional photographers market, our primary business of wedding photo albums saw difficult sales due to the many delayed weddings and other effects of the coronavirus pandemic. There were strong sales of products for architectural photography and studio photography, however these are not enough to cover the decline in sales for wedding-related photography. We also conducted online seminars and updated our ordering tools and other services.

In the general consumer market, we conducted the *MyBook* 20th anniversary campaign, as well as effective advertising and use of SNS. We also conducted promotions for seasonal products such as calendars and graduation albums. As a result, sales of photo albums intended to record the growth of children were relatively strong. However sales of photo albums intended to commemorate travel and events struggled due to the effects of the coronavirus pandemic. The same trends were also seen in OEM supply.

In terms of income, we succeeded in reducing advertising expenses, travel and transportation expenses, and delivery expense, and we also restructured our production workplace personnel. However there were large effects on our production system of company-operated plants which resulted from the declining operating rate that accompanied the drop in sales, and

there was a large decrease in segment income.

As a result, sales were 3,157,864 thousand yen (80.8% compared to the previous fiscal year), and segment income was 471,074 thousand yen (51.0% compared to the previous fiscal year).

### (3) Aerial imaging business

This business was launched in March 2011, aiming to create a market through new image and video expressions utilizing aerial imaging technologies. We are developing, manufacturing, and selling both glass and plastic “ASKA3D plates” that utilize our original technologies to project images in mid-air.

For glass ASKA3D plates, the business environment suffered from a slowdown in the signage market – particularly overseas – as a result of the coronavirus pandemic. However on the production side, we continued working to resolve process issues and worked to increase our supply capacity. In the future, we will increase production and reduce costs for ASKA3D plates through the use of outside production, and will expand sales for signage applications. At the same time, at the technical development center that we opened in June 2020 in order to shift mass-production technologies for glass ASKA3D plates in-house, we carried out repeated production of prototype products and succeeded in production of small-size plates with a consistent level of quality. In the future, we will accelerate research and development for stabilizing and improving quality, and for increasing plate size.

For plastic ASKA3D plates, much attention is being given to the use of aerial imaging for touchless operations. We received numerous inquiries and proceeded with sample sales for the use of plates incorporated into customer products. We succeeded in development of the 250 mm square plates for which there was strong demand, and began supplying samples. In the future, we will work to acquire mass-production orders for plates that will be incorporated in customer products.

In the area of marketing, in addition to sales through our own marketing activities in the Japan market, we are also conducting sales through agents in three locations in overseas markets. The coronavirus pandemic has resulted in numerous difficulties including canceled exhibitions, delays in progress on various projects, and restrictions on marketing activities. On the other hand, we have seen growing numbers of product installations and verification tests, as well as cases of commercialization by business partners, and we are continuing to make progress in acquiring orders.

In terms of profit and loss, despite the reduction of advertising expenses and travel and transportation expenses, the higher R&D expenses for improvements to ASKA3D plates and the establishment of a technical development center resulted in higher advance expenses during this fiscal year.

As a result, sales were 124,221 thousand yen (112.2% compared to the previous fiscal year), and segment loss was 272,628 thousand yen (compared to a loss of 236,097 thousand yen in the previous fiscal year).

As a result of the above, sales were 5,773,644 thousand yen (87.8% compared to the previous fiscal year). In terms of income, due to a decrease in segment income in the personal publishing service business, ordinary income was 330,836 thousand yen (46.6% compared to the previous fiscal year) and net income was 225,503 thousand yen (45.0% compared to the previous fiscal year).

## (2) Overview of the Financial Status during this Fiscal Year

### (Overall situation)

Total assets at the end of this fiscal year decreased by 142,338 thousand yen to reach 6,465,349 thousand yen. This decrease was primarily due to a decrease in cash and deposits of 145,728 thousand yen. The equity ratio also increased by 3.1 points from the end of the previous fiscal year to reach 90.1%.

### (Current assets)

Current assets at the end of this fiscal year decreased by 50,578 thousand yen from the end of the previous fiscal year to reach 3,071,195 thousand yen. While there was an increase of 50,716 thousand yen in work in progress, this decrease was primarily due to a decrease in cash and deposits of 145,728 thousand yen.

### (Fixed assets)

Fixed assets at the end of this fiscal year decreased by 91,760 thousand yen to reach 3,394,153 thousand yen. This decrease was primarily due to a decrease in investments and other assets of 80,552 thousand yen resulting from cancellation of insurance.

(Current liabilities)

Current liabilities at the end of this fiscal year decreased by 216,748 thousand yen from the end of the previous fiscal year to reach 633,121 thousand yen. This decrease was primarily due to a decrease of 71,700 thousand yen in income taxes payable and a decrease of 100,000 thousand yen in the provision for directors' retirement benefits.

(Fixed liabilities)

Fixed liabilities at the end of this fiscal year decreased by 804 thousand yen from the end of the previous fiscal year to reach 6,628 thousand yen.

(Net assets)

Net assets at the end of this fiscal year increased by 75,213 thousand yen from the end of the previous fiscal year to reach 5,825,599 thousand yen. This increase was primarily due to an increase of 57,093 thousand yen in retained earnings.

### (3) Overview of cash flows in this fiscal year

Despite a decrease in capital investment, as a result of the decline in net income, cash and cash equivalents (hereafter referred to as "Funds") at the end of this fiscal year decreased by 145,728 thousand yen from the end of the previous fiscal year to reach 1,410,088 thousand yen.

(Cash flows from operating activities)

Net Funds acquired as a result of operating activities during this fiscal year was 359,336 thousand yen (compared to 849,178 thousand yen acquired during the previous fiscal year). The primary factors affecting this result were pre-tax net income of 328,082 thousand yen and depreciation expenses of 411,169 thousand yen on one hand, and the payment of 169,181 thousand yen in income taxes on the other.

(Cash flows from investing activities)

Net Funds expended as a result of investment activities during this fiscal year was 335,819 thousand yen (compared to 774,047 thousand yen expended during the previous fiscal year). This was primarily due to the acquisition of 350,105 thousand yen in tangible fixed assets.

(Cash flows from financing activities)

Net Funds expended as a result of financing activities during this fiscal year was 169,864 thousand yen (compared to 187,583 thousand yen expended during the previous fiscal year). This was primarily due to the payment of 168,915 thousand yen in dividends.

### (4) Future Outlook

Information about the future outlook and about the risks associated with the coronavirus pandemic is provided below. Beginning from the fiscal year ending April 30, 2022, the memorial design business will be renamed the funeral business, the personal publishing business will be renamed the photo book business, and the aerial imaging business will be renamed the aerial display business. Each of these businesses is listed below using their new names.

In the outlook for the next fiscal year, we expect extremely difficult conditions as a result of factors including the prolonged slowdown caused by the COVID-19 outbreak.

Our company is operating a business that is consistent with the current times in which services are customized to meet individual needs even for minimum lot sizes, and aims to capture stable demand. Although we have constructed strong business models in both the funeral business and photo book business, we recognize that the effects of the coronavirus pandemic are an issue facing a recovery in sales. In the aerial display business where we are challenging ourselves and working to create a new market, more time has been required to achieve profitability than we initially expected. However there has been strong interest in the use of aerial imaging operations, and we will make use of this opportunity to achieve a large leap forward. We will also continue to challenge ourselves in the development of new business and services.

The coronavirus pandemic has had a large effect on society, and there is the possibility that customer needs in our areas of business may undergo large permanent changes. We recognize that it is important to develop products and services that can respond quickly to such changes in customer needs.

The following constitute the basis for the expected effects of the COVID-19 outbreak on each business area and the results forecast for the fiscal year ending April 30, 2022.

In the funeral business, funerals are currently small in size and sales of funeral production tools and related products have

declined. We are expecting that funeral formats will return to normal, however, sales of those funeral products will be still weak. In the photo book business, orders for the wedding albums that are our main product in the professional photographer market declined as weddings were postponed. We are expecting that these conditions will continue through the second quarter of the coming fiscal year and that demand will begin to return starting from the third quarter. The environment in the consumer market will be negative until the second quarter of the fiscal year ending April 30, 2022, with fewer opportunities for photography as people refrain from traveling and attending events. In the aerial display business, although COVID-19 has increased the focus on aerial imaging for achieving touchless operations, our marketing activities were restricted due to issues such as the need to refrain from business travel, particularly overseas business travel. Consequently we have planned for the risk that projects may be delayed and progress on new marketing may be limited. Our expectation is that the signage market, which has been subdued as a result of to the pandemic, will become active again starting from the second half of the fiscal year ending April 30, 2022.

Based on these difficult conditions, we will be taking the following actions in each business area.

In the funeral business, we will prominently promote the superiority that comes from our strength in image processing technologies and the application of focus correction tools utilizing the latest technologies in order to develop new customers and increase unit prices for existing customers. We will also reinforce our inside sales functions and work to expand the presence of “tsunagoo” and other new services.

In the photo book business, we will continue to challenge new markets such as architectural photography and studio photography. At the same time, we will launch new products, conduct online seminars, and reinforce our data delivery service for the professional photographer market, aiming to deepen our connections with customers. In terms of production, we will carry out capital investment including replacing printing machines and introducing inspection equipment as we work to strengthen the *MyBook* brand in consumer markets.

In the aerial display business, we will expand sales of plastic ASKA3D plates for incorporation into customer products that provide touchless operations, and will work to acquire mass production orders for plastic ASKA3D plates. With the glass ASKA3D plates intended for signage applications, we will focus on orders as the signage market recovers. In overseas sales, we will carry out efficient marketing activities in collaboration with our agents, and will expand our network of overseas agents. For outside production of glass ASKA3D plates, we will add production equipment, reduce costs, and strengthen production capacity. At the technical development center which began operating last year, we will invest in the equipment and expand the floor space which are devoted to developing production technologies. Although this will result in higher R&D costs, we intend to accelerate research and development for production of large-size plates.

Based on the above, in the forecast for the year ending April 30, 2022, with consideration for the effects of the COVID-19 pandemic, capital expenditure for new printing machines in the photo book business, and higher R&D expenses at the technical development center in the aerial display business, we are forecasting sales of 6,270 million yen (108.6% compared to the current year), operating income of 285 million yen (102.7%), ordinary income of 285 million yen (86.1%), and net income of 200 million yen (88.7%).

Although we have incorporated the above assumptions regarding changes and effects on demand resulting from the coronavirus pandemic, there are many uncertain elements, and any change in these assumed conditions potentially may also affect the business forecast. The aerial display business and other new business areas also involve technological research and marketing that we have not engaged in before, and many uncertain elements are involved in its commercialization.

Note: The above forecast was created based on information available at the time this material was released, and actual results may differ from the forecast values due to a variety of factors.

## 5. Financial Statements for the Fiscal Year

### (1) Balance sheet

(Units: 1,000s yen)

	Previous fiscal year (Ended April 30, 2020)	Current fiscal year (Ended April 30, 2021)
<b>Asset</b>		
Current assets		
Cash and deposits	1,960,817	1,815,088
Receivable notes	12,158	—
Accounts receivable-trade	785,875	775,996
Merchandise and products	190,796	220,028
Work in progress	49,083	99,800
Raw materials and supplies	98,238	86,770
Advanced payment	27,906	32,011
Others	1,248	45,718
Allowance for doubtful accounts	(4,351)	(4,218)
Total current assets	3,121,774	3,071,195
Fixed assets		
Tangible fixed assets		
Building	1,372,631	1,448,017
Accumulated depreciation	(466,762)	(518,700)
Buildings, net	905,868	929,317
Structures	26,606	26,606
Accumulated depreciation	(12,876)	(14,042)
Structures (net)	13,729	12,563
Machinery and equipment	1,562,081	1,769,091
Accumulated depreciation	(1,113,456)	(1,301,195)
Machinery and equipment, net	448,625	467,896
Vehicles	10,158	2,182
Accumulated depreciation	(6,160)	(1,111)
Vehicles (net)	3,997	1,071
Tools, equipments, and fixtures	413,315	452,384
Accumulated depreciation	(261,686)	(269,114)
Tools, equipments, and fixtures (net)	151,628	183,270
Land	844,060	844,060
Construction in progress	67,613	16,176
Total tangible fixed assets	2,435,524	2,454,356
Intangible fixed assets		
Patents etc.	13,644	10,165
Software	193,348	213,201
Others	14,580	1,375
Total intangible fixed assets	221,573	224,742
Total investments and other assets		
Investment securities	523,634	533,204
Capital	10	10
Long term advanced payment	8,743	12,315
Deferred tax assets	142,655	96,303
Others	153,773	73,220
Total investment and others	828,816	715,054
Total fixed assets	3,485,914	3,394,153
Total assets	6,607,688	6,465,349

(Units: 1,000s yen)

	Previous fiscal year (Ended April 30, 2020)	Current fiscal year (Ended April 30, 2021)
<b>Liabilities</b>		
Current liabilities		
Accounts payable-trade	167,630	163,342
Accounts payable-other	162,859	146,716
Accrued expense	81,281	81,929
Income taxes payable	87,100	15,400
Advance payment	41,704	15,766
Deposit	13,230	18,552
Provision for bonuses	150,900	153,650
Officer retirement benefit	100,000	—
Others	45,163	37,763
Total current liabilities	849,870	633,121
Fixed liabilities		
Provision for retirement benefits	6,009	5,351
Others	1,423	1,277
Total fixed liabilities	7,432	6,628
Total liabilities	857,303	639,750
Net assets		
Shareholders' equity		
Capital stock	490,300	490,300
Capital surplus		
Capital reserves	606,585	606,585
Other capital surplus	—	7,737
Total capital surplus	606,585	614,322
Retained earnings		
Legal retained earnings	1,693	1,693
Other retained earnings		
Retained earnings	4,922,770	4,979,863
Total retained earnings	4,924,463	4,981,556
Treasury stock	(269,031)	(265,577)
Total shareholders' equity	5,752,316	5,820,602
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	(1,930)	4,997
Total valuation and translation adjustments	(1,930)	4,997
Total net assets	5,750,385	5,825,599
Total liabilities and net assets	6,607,688	6,465,349

## (2) Profit and loss statement

(unit:1000s yen)

	Previous fiscal year (May 1, 2019-April 30, 2020)	Current fiscal year (May 1, 2020-April 30, 2021)
Net Sales		
Sales from service	1,696,939	1,703,638
Product sales	4,039,295	3,292,259
Sales of finished goods	839,720	777,747
Total sales	6,575,955	5,773,644
Cost of sales		
Cost of service	848,149	879,861
Cost of product sales		
Stock of product at beginning of the year	100,909	98,810
Cost of product sales during year	1,840,722	1,741,652
Total	1,941,632	1,840,462
Transfer to other accounts	28,184	18,543
Stock of product at year end	98,810	143,020
Cost of production sales	1,814,637	1,678,898
Cost of goods sales		
Stock of goods at beginning of the year	72,033	91,986
Cost of goods sales during year	600,091	528,607
Total	672,124	620,594
Transfer to other accounts	9,492	16,948
Stock of goods at year end	91,986	77,008
Cost of goods sales	570,646	526,636
Total cost of sales	3,233,434	3,085,397
Gross profit	3,342,521	2,688,247
Selling, general, and administrative expenses	2,633,408	2,410,788
Operating income	709,112	277,458
Non-operating income		
Interest received	597	129
Interest from invested securities	411	487
Dividends received	950	1,275
Commissions received	360	289
Foreign exchange gains	—	422
Insurance cancellation refund	—	32,600
Grant income	—	14,630
Others	1,426	3,542
Total non-operating income	3,746	53,377
Non-operating expenses		
Foreign exchange losses	2,289	—
Total non-operating expenses	2,289	—
Ordinary income	710,569	330,836
Extraordinary income		
Profit from sales of fixed asset	133	329
Total extraordinary income	133	329
Extraordinary losses		
Loss on retirement of fixed assets	166	3,083
Loss on valuation of investment securities	14,750	—
Total extraordinary losses	14,916	3,083
Net income before taxes	695,787	328,082

(unit:1000s yen)

	Previous fiscal year (May 1, 2019-April 30, 2020)	Current fiscal year (May 1, 2020-April 30, 2021)
Current income taxes etc.	215,564	59,261
Income tax adjustment	(21,415)	43,317
Income taxes	194,148	102,579
Net income	501,638	225,503

## (3) Statement of cash flows

(unit:1000s yen)

	Previous fiscal year (May 1, 2019-April 30, 2020)	Current fiscal year (May 1, 2020-April 30, 2021)
<b>Cash flows resulting from operating activities</b>		
Net income before taxes	695,787	328,082
Depreciation expenses	353,806	411,169
Increase (decrease) in allowance for doubtful accounts	1,592	2,065
Increase (decrease) in provision for bonuses	6,700	2,750
Increase (decrease) in provision for retirement benefits	—	(658)
Increase(decrease) in officer retirement benefit	100,000	(100,000)
Interest and dividends received	(1,547)	(1,404)
Interest from invested securities	(411)	(487)
Foreign exchange losses (gains)	1,493	(618)
Subsidy income	—	(14,630)
Insurance cancellation refund	—	(32,600)
Increase(decrease) in value of investment securities	14,750	—
Profit on sales of fixed asset	(133)	(329)
Loss on disposal of fixed assets	166	3,083
Decrease (increase) in notes and accounts receivable-trade	29,036	19,619
Decrease (increase) in inventory assets	(63,551)	(68,481)
Increase (decrease) in accounts payable-trade	(1,550)	(4,287)
Increase (decrease) in accrued consumption taxes	(7,833)	(7,400)
Others	30,348	(24,392)
Subtotal	1,158,653	511,481
Interest and dividends received	2,014	2,406
Grant received	—	14,630
Income taxes paid	(311,490)	(169,181)
Cash flows due to operating activities	849,178	359,336
<b>Cash flows due to investing activities</b>		
Purchase of property, plant, and equipment	(548,308)	(350,105)
Sales of tangible fixed assets	—	420
Purchase of intangible fixed assets	(98,370)	(96,152)
Purchase of investment securities	(305,394)	—
Collection of loans receivable	—	108,887
Payments into time deposits	(405,000)	(405,000)
Proceeds from withdrawal of time deposits	605,000	405,000
Others	(21,974)	1,132
Cash flows due to investing activities	(774,047)	(335,819)
<b>Cash flows due to financing activities</b>		
Cash dividends paid	(185,501)	(168,915)
Purchase of treasury stock	(183)	—
Others	(1,897)	(948)
Cash flows due to financing activities	(187,583)	(169,864)
Effect of exchange rate on cash and cash equivalents	(1,493)	618
Net increase (decrease) in cash and cash equivalents	(113,946)	(145,728)
Balance of cash and cash equivalents at beginning of year	1,669,763	1,555,817
Balance of cash and cash equivalents at end of quarter	1,555,817	1,410,088

#### (4) Notes Regarding the Financial Statements

(Segment information etc.)

Information related to the amounts of sales, income or loss, assets, liabilities, and other items for each reporting segment.

Previous fiscal year (May 1, 2019 – April 30, 2020)

(Units: 1,000s yen)

	Reporting segment				Adjustments	Amount recorded in profit and loss statement
	Memorial design service business	Personal publishing service business	Aerial imaging business	Total		
Sales						
Sales to outside customers	2,557,535	3,910,014	108,405	6,575,955	—	6,575,955
Inter-segment internal sales and transfers	—	—	2,310	2,310	(2,310)	—
Total	2,557,535	3,910,014	110,715	6,578,265	(2,310)	6,575,955
Segment income (loss)	660,219	924,152	(236,097)	1,348,274	(639,161)	709,112
Other term						
Depreciation	30,046	274,179	15,688	319,914	33,891	353,806

Current fiscal year (May 1, 2020 – April 30, 2021)

(Units: 1,000s yen)

	Reporting segment				Adjustments	Amount recorded in profit and loss statement
	Memorial design service business	Personal publishing service business	Aerial imaging business	Total		
Sales						
Sales to outside customers	2,492,188	3,157,864	123,591	5,773,644	—	5,773,644
Inter-segment internal sales and transfers	—	—	630	630	(630)	—
Total	2,492,188	3,157,864	124,221	5,774,274	(630)	5,773,644
Segment income (loss)	616,970	471,074	(272,628)	815,416	(537,957)	277,458
Other term						
Depreciation	32,775	279,114	66,457	378,348	32,821	411,169

This is the summarized translation of released report for your reference.  
Please refer to the original Japanese financial document.